



## GOVERNANCE AND AUDIT COMMITTEE

### MINUTES OF THE MEETING HELD IN PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON TUESDAY 11<sup>TH</sup> JULY 2023 AT 2.00 P.M.

PRESENT:

Councillors:

M. A. Adams, Mrs. E.M. Aldworth, M. Chacon-Dawson, and C. Wright.

Lay Members:

N. Yates, and J. Williams.

Together with:

Officers: R. Edmunds (Corporate Director for Education and Corporate Services), S. Harris (Head of Financial Services and S151 Officer), D. Gronow (Acting Internal Audit Manager), S. Richards (Head of Education Planning and Strategy), R. Roberts (Business Improvement Manager), J. Pearce (Business Improvement Officer), K. Denman (Housing Solutions Manager), and J. Lloyd (Committee Services Officer).

M. Jones (Audit Wales).

Also in attendance: Councillors E. Stenner and J. Pritchard.

#### 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. TO APPOINT A CHAIR FOR THE ENSUING YEAR

Following consideration by the Governance and Audit Committee, this matter was deferred to the next meeting on 12<sup>th</sup> September 2023, as not all of the Lay Members were in attendance.

#### 2. TO APPOINT A VICE CHAIR FOR THE ENSUING YEAR

It was moved and seconded that Councillor C. Wright be appointed as Vice Chair and by way of Microsoft Forms and verbal confirmation, this was unanimously agreed.

RESOLVED that Councillor C. Wright be appointed as Vice Chair of the Governance and Audit Committee for the ensuing year.

### **3. TO RECEIVE APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors A. Broughton-Pettit, P. Cook, G. Enright, J. Taylor, and Lay Members M. Rees and V. Pearson.

### **4. DECLARATIONS OF INTEREST**

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

### **5. MINUTES – 18<sup>TH</sup> APRIL 2023**

It was moved and seconded that the minutes of the Governance and Audit Committee held on 18<sup>th</sup> April 2023 be approved as a correct record, subject to an amendment to item 6. Audit Wales Audit of Accounts Addendum, paragraph 8, recommendations from the previous year were 12, not 17. By way of Microsoft Forms and verbal confirmation, this was unanimously agreed.

RESOLVED that the minutes of the meeting held on 18<sup>th</sup> April 2023 (minute nos. 1-11) be approved as a correct record, subject to an amendment to item 6. Audit Wales Audit of Accounts Addendum, paragraph 8, recommendations from the previous year were 12, not 17.

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

The Head of Financial Services and S151 Officer presented the Governance and Audit Committee Forward Work Programme for the period July 2023 to November 2023. A Member queried the items on the FWP and proposed items that would be considered as standing items and should be included in the FWP for the current year. The Member also proposed that there should be 5 meetings of the Governance and Audit Committee during this period. Members were advised that the Forward Work Programme would be populated for the next 12 months, in readiness for the next meeting to be approved.

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

It was moved and seconded that the Forward Work Programme be approved. By way of Microsoft Forms and verbal communication, 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.

### **7. UPDATE FROM AUDIT WALES**

M. Jones, Audit Wales, presented the report, and informed Members that the audit of the 2022-23 annual statement of accounts scheduled for completion in late 2023 was now more likely to be completed in January 2024.

Members were advised that Audit Wales produce a quarterly update which includes items for work undertaken across Wales and specifically Caerphilly.

A Member queried the timetabled date for the Assurance and Risk Assessment, and noted this was set for completion in August 2023, and sought confirmation of the timescale for the completed report. Members were advised that this item may not result in an actual report but that this matter would be checked and referred back to Members. The Member also queried the timetabled date for the Thematic Review – Unscheduled Care, noting that the completion date was set for February 2023, and sought clarification on the ‘Fieldwork’ status. Members were advised that this could have been meant to be February 2024, and would check this, together with the query on ‘Fieldwork’ and refer back to Members following the meeting.

The Governance and Audit Committee noted the report.

## **8. ANNUAL INTERNAL AUDIT REPORT 2022/23**

The Acting Internal Audit Services Manager introduced the report which informed the Governance and Audit Committee of the Internal Audit Managers’ overall opinion on the Authority’s Internal Control Systems derived from the work undertaken by Internal Audit Services during the 2022/23 financial year.

Members were informed that it is a requirement of the Council’s Financial Regulations, the Internal Audit Charter and the Public Sector Internal Audit Standards (PSIAS) that the Head of Internal Audit provides an annual report to support the Annual Governance Statement.

Members were advised that the report provided an overview of the work performed and a detailed schedule of audits was attached as appendix 1. Members were also referred to the information contained in the report in relation to the number of opinions and the risk rating of audit findings.

A Member sought clarification on the term ‘unable to progress audit after commencement.’ Members were advised that due to the ongoing industrial action in schools and advice from unions, that participation in non-standard meetings which includes audit work, is limited.

A Member queried the ‘non-compliant’ contracts and the implications of these. Members were advised that some of these are minor, however where there is a significant non-compliance or overspends, there is a process in the Council’s Standing Orders that requires reports by the contract manager to the Head of Service and the S151 Officer where required, depending on the specific issues involved.

The Governance and Audit Committee noted the content of the report.

## **9. DRAFT ANNUAL GOVERNANCE STATEMENT 2022/23**

The Head of Financial Services and S151 Officer introduced the report which presented the Governance and Audit Committee with the Draft Annual Governance Statement for the 2022/23 financial year. Members were informed that the Draft Annual Governance Statement for 2022/23 also included updates on the area for improvement noted in the Annual Governance Statement for 2021/22 and identifies any new issues arising in 2022/23.

Members were informed that the document had been prepared by the Corporate

Governance Review Panel, which had considered responses from the Chief Executive, Directors, Heads of Service, and other key Officers, and these had been included as appropriate.

Members were advised that the Draft Annual Governance Statement will be incorporated into the 2022/23 Draft Financial Statements which will be submitted to Audit Wales on the 31<sup>st</sup> of July 2023 for the external audit to be completed. The audited 2022/23 Financial Statements and External Auditor's report will subsequently be presented to the Governance and Audit Committee and Council for approval.

A Member queried the proposed changes to the format of the Annual Governance Statement by the Corporate Governance Review Panel and referred to the minutes included in the pack as an information item. The Member also referred to the review of the Annual Governance Statement 2021/22 by the Panel and sought clarification on the issues being raised, in relation to the Medium-Term Financial Plan. Members were advised that no substantial changes were being made to the format of the 2022/23 Annual Governance Statement, however it was agreed that going forward the format could be reviewed. . Members were also advised that the Medium-Term Financial Plan had been raised again due to the scale of the financial challenge that the Authority is now facing, whereby the level of savings to be made has increased to circa £48 million for the two-year period 2024/25 to 2025/26.

A Member queried the current post of 'Acting' Internal Audit Manager, and whether there was any timescale in which this post would be made permanent. Members were advised that a permanent appointment would be made within the next 2 months.

A Member raised a query on behalf of another Member who was absent from the meeting, in relation to the role of the Committee Members in reviewing the Draft Annual Governance Statement. Members were advised that this query would be looked at and dealt with outside of the meeting, together with a possible training programme that is currently being considered.

M. Jones from Audit Wales wished to note that the level of detail in the Draft Annual Governance Statement was satisfactory in comparison to others.

Having considered the report, it was moved and seconded that the recommendations be approved. By way of Microsoft Forms and verbal communication this was unanimously agreed.

RESOLVED to endorse the content subject to any changes agreed.

## **10. CORPORATE RISK REGISTER (MAY 2023) UPDATE**

The Business Improvement Manager introduced the report which provided an update of the Corporate Risk Register in accordance with the Council's Risk Management Strategy. Members were advised that there are currently 18 risks on the Corporate Risk Register.

The updated Corporate Risk Register was included as Appendix A to the report and presented to the Governance and Audit Committee for the Committee to have the opportunity to satisfy itself that appropriate arrangements are in place for the Council's risk management processes to be regularly and robustly monitored and scrutinised.

A Member suggested that the Corporate Risk Register also needs to align with Regulator Recommendations for Improvement and Officers agreed that this will be considered moving forward.

Clarification was also sought in relation to 2 specific risks and their potential impact on the well-being of communities. Officers advised that these risks relate to organisational capacity but agreed that a well-being risk level will be included moving forward.

The Governance and Audit Committee noted the contents of the report.

## **11. REGULATOR RECOMMENDATION FOR IMPROVEMENT PROGRESS UPDATE.**

The Business Improvement Manager introduced the report which updated Members on the progress of recommendations that have been made by all regulators since the last Governance and Audit Committee update and advised on any new proposals that have been added since that time.

Members were advised that the register was last updated and presented to the Governance and Audit Committee in January 2023. Since that time there have been no new proposals added onto the register and no areas for consideration as part of the Well-being of Future Generations examination. Members were informed that there are 11 recommendations on the register, and none have been added, with 1 to be considered as actioned and completed, and if agreed by the Governance and Audit Committee, would leave 10 outstanding.

A Member sought clarification on the completion dates and noted that some appeared to be overdue. Members were advised that new dates had not been included in time for publication, but this information could be circulated to Members following the meeting. A Member queried whether the completion percentages were correct in view of the completion dates not being updated. Members were advised that the percentage information included was currently correct.

Having viewed the specific proposals attached within Appendix A and judged whether these are now complete, the Governance and Audit Committee, agreed to close the proposals noted as 'completed' within Appendix A, and it was moved and seconded that the recommendations be approved. By way of Microsoft Forms and verbal communication this was unanimously agreed.

RESOLVED to close the proposals noted as 'completed' within Appendix A.

## **12. AUDIT WALES – HOMELESSNESS – CAERPHILLY COUNTY BOROUGH COUNCIL.**

The Corporate Director for Education and Corporate Services introduced the agenda item and advised Members that at a previous meeting of the Governance and Audit Committee, the Audit Wales report had been omitted, and only the Officers report had been included in the agenda pack. Members had subsequently requested that the Audit Wales report be included at this meeting.

A Member noted the ongoing homelessness issues the Authority is facing and the various solutions that are currently available. The Housing Solutions Manager advised Members that a Specialist Complex Cases Officer had now been appointed within the Authority, and their role is to engage with the specific individuals that are experiencing accommodation issues, providing the relevant advice and support.

A Member queried the impact of the current economic circumstances. Members were advised that this could affect all elements of housing, including homelessness. Discussions have taken place with Welsh Government in relation to possible mortgage rescue schemes. Members were also advised of potential effects on landlords and tenants, although this had not yet become a major issue within Caerphilly, the situation was being monitored with regards to a possible rise in homelessness.

The Governance and Audit Committee noted the contents of the report.

### **13-16. 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 Declarations of Gifts and Hospitality January to March 2023;
- (iii) Register of Employees' Interests Forms 2022/23;
- (iv) Corporate Governance Panel Minutes – 13<sup>th</sup> June 2023.

The Chair thanked Members and Officers for their attendance and contributions and the meeting closed at 3.19 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 12<sup>th</sup> September 2023.

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CHAIR