



GOVERNANCE AND AUDIT COMMITTEE

MINUTES OF THE MEETING HELD IN PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON TUESDAY 12TH SEPTEMBER 2023 AT 2.00 P.M.

PRESENT:

Councillors:

M. Chacon-Dawson, G. Enright, and C. Wright (Vice Chair)

Lay Members:

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

Together with:

Officers: S. Harris (Head of Financial Services and S151 Officer), D. Gronow (Acting Internal Audit Manager), R. Roberts (Business Improvement Manager), N. Roberts (Principal Group Accountant), and J. Lloyd (Committee Services Officer).

S.J. Byrne, M. Jones, and I. Phillips (Audit Wales).

Also in attendance: Councillor P. Leonard.

RECORDING AND VOTING ARRANGEMENTS

The Vice 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

It was moved and seconded that Lay Member Mr. M. Rees be appointed as Chair and by way of Microsoft Forms this was unanimously agreed.

RESOLVED that Lay Member Mr. M. Rees be appointed as Chair of the Governance and Audit Committee for the ensuing year.

Mr M. Rees thanked the Vice Chair for covering the meetings to date and thanked Mr N. Yates for chairing the Governance and Audit Committee. He also thanked all for supporting the nomination for the appointment of Chair. Mr Rees proposed to include an action sheet for the Governance and Audit Committee meetings and the continuous self-assessment within audit. Mr Rees also informed Members of proposed CIPFA training for Members in due course.

2. TO RECEIVE APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors M.A. Adams, Mrs E.M. Aldworth, A. Broughton-Pettit, P. Cook, and J. Taylor.

3. DECLARATIONS OF INTEREST

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

4. MINUTES – 11TH JULY 2023

It was moved and seconded that the minutes of the Governance and Audit Committee held on 11th July 2023 be approved as a correct record, and by way of Microsoft Forms (and in noting there were 4 For, 0 Against, and 2 Abstentions) this was agreed by the majority present.

RESOLVED that the minutes of the meeting held on 11th July 2023 (minute nos. 1-16) be approved as a correct record.

5. 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 September 2023 to June 2024. Members were advised that the document is live, and items can be added or removed on request, noting that an Action Sheet would be included with the Forward Work Programme, from the next meeting agenda going forward.

A Member queried whether three items could be added to the Forward Work Programme, including the council's self-assessment of performance, the management of buildings and building safety regarding asbestos, and the updating of HR policies. The Committee was advised that the FWP would be updated and the Member was asked to provide a list of the HR policies that were being referred to.

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.

6. UPDATE FROM AUDIT WALES

S.J. Byrne, Audit Wales, introduced the report to Members which summarised the completed audit work in relation to performance audit work, with M. Jones, Audit Wales referring to the financial audit work, since the last Annual Audit Summary, which was issued in December 2022. Members were referred to the Assurance and Risk Assessment work which included the financial position, the Capital programme management, the setting of well-being objectives, and a digital thematic review and waste and recycling review.

Members were referred to the financial audit work which includes the annual accounts, grant returns, and the Blackwood Arts Centre.

A Member queried the purpose of the reports from Audit Wales, and the lack of covering reports to indicate whether the reports are only to be received and noted or voted on by the Governance and Audit Committee. Members were advised of the recent change in staff within the Audit Wales team, who regularly meet up with CCBC Officers, and that a covering report could be produced for future Audit Wales reports and that this would be incorporated into their Forward Work Programme.

A Member sought clarification on the assessment of the progress that the Council has made in implementing the 15 recommendations made in the Auditor General for Wales' report 'Raising Our Game' Tackling Fraud in Wales July 2020. Members were advised that this information would be provided to members following the meeting.

Members queried the report and work done on building safety, in relation to asbestos and concrete, and were advised that the detail which Members referred to would not have been included in the report. Members were also advised that the issue with the RAAC concrete would not be included in the current audit plan but would be included going forward. Mr. I Phillips from Audit Wales advised Members that a link to the building report could be provided to Members following the meeting. A Member queried the 'sampling strategy' undertaken by Audit Wales and how the chosen authorities are selected. Members were advised that all 22 authorities across Wales had been included in the building safety report, and where only some authorities are chosen for other reports, this could be determined by the nature of the work and their location, depending on the subject matter.

A Member sought clarification on the thematic reviews, and in particular the unscheduled care, and queried whether all other parties involved would be included in the review or if it was just based on the local authority work. Members were advised that the review was being undertaken between the health and local government teams, and not currently any other organisations that may have been impacted.

A Member queried the report on assurance and risk assessment and whether the role of the Governance and Audit Committee was included in this work. Members were advised that this would be included, together with the scrutiny and management decision making process.

A Member sought clarification on whether Audit Wales would be looking at the financial sustainability of local authorities, and Members were advised that this was on the Audit Wales programme for future work.

A Member queried whether Audit Wales carries out follow up work on recommendations they have previously given, where no timeframes appear to be applicable. Members were advised that this does occur as part of the assurance and risk assessment work, and progress is reported on each year in relation to the financial audit.

The Governance and Audit Committee noted the report.

7. AUDIT WALES – CAERPHILLY COUNTY BOROUGH COUNCIL – DETAILED AUDIT PLAN 2023.

M. Jones, Audit Wales introduced the report, and referred Members to exhibit 1 in the report relating to significant financial statement risks. Members were advised if any new risks were identified prior to the next Governance and Audit Committee meeting, this would be updated. Members were also referred to the timetable in exhibit 2 of the report, together with the two letters from Audit Wales that had been included in the agenda pack for Members information. Members were also referred to the Audit Wales fee increase included in the report.

A Member queried the 13 outstanding recommendations, and whether this would have an impact on fees, with any additional charges. Members were advised these had not yet been reviewed and would be included in the current fee estimate by Audit Wales, and not likely to cause any increase.

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

8. REVIEW AND UPDATE OF INTERNAL AUDIT CHARTER.

The Acting Internal Audit Manager introduced the report which provided information to Members in respect of the review and update of the Internal Audit Charter and gave Members the opportunity to review the document. Members were informed that the Charter was last updated in 2019.

A Member sought clarification on whether the document was to be reviewed and approved, and Members were advised that the updated Charter should be formally approved by the Committee.

A Member queried the due date of the external assessment of compliance with the Public Sector Internal Audit Standards (PSIAS), and Members were advised this was due every 5 years, with the next one due in February 2024.

Members were advised that the Charter could be reviewed at any time, at the request of the Governance and Audit Committee, and was currently scheduled to be reviewed in 4 years' time. A Member proposed that the Charter be reviewed and updated every 2 years, and this was agreed by Members as an additional recommendation.

Having reviewed the report, it was moved and seconded that the recommendations be approved, and for the Charter to be reviewed and updated every 2 years. By way of Microsoft Forms this was unanimously agreed.

RESOLVED to approve the updated Internal Audit Charter in order for the Committee to gain the required assurance to fulfil its role, and for the Charter to be reviewed and updated every 2 years.

9. UPDATE ON INTERNAL AUDIT REPORT RECOMMENDATIONS.

The Acting Internal Audit Manager introduced the report which provided Members with an update on progress on Audit Report recommendations, to ensure that the Committee is aware of the number of Internal Audit recommendations and associated risk ratings.

A Member noted their concerns on the overdue recommendations and requested the Committee be made aware of the details and nature of these recommendations. Members were advised that this information would be made available for Members in future reports. Members were also advised that an external assessment due to be completed, could have an impact on some of the overdue recommendations, and some have been delayed due to school holidays, and are due to be followed up. The Member also queried whether a specific timescale was specified when the recommendations were made. Members were advised that this is done in conjunction with the Service Manager, and the higher the risk, the more immediate the action needs to be. Members were also advised that going forward, if they weren't satisfied with the progress of a particular high-risk recommendation, they could request that the relevant Service Area be represented at a Governance and Audit Committee meeting for questioning.

The Head of Financial Services and S151 Officer advised Members that the process of recommendations, timescales and risk ratings could be incorporated into Members training in the future.

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

10-11. 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 April to June 2023;

The Chair thanked Members and Officers for their attendance and contributions and the meeting closed at 4.08 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 7th November 2023.

CHAIR