



GOVERNANCE AND AUDIT COMMITTEE

MINUTES OF THE MEETING HELD IN PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON TUESDAY 4TH JUNE 2024 AT 2.00 PM.

PRESENT:

Councillors:

M. A. Adams, Mrs. E.M. Aldworth, A. Broughton-Pettit, M. Chacon-Dawson, E. Davies, G. Enright, J. Taylor, and C. Wright (Vice Chair).

Lay Members:

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

Together with:

Officers: R. Edmunds (Corporate Director of Education and Corporate Services), S. Harris (Head of Financial Services and S151 Officer), D. Gronow (Acting Internal Audit Manager), R. Roberts (Business Improvement Manager), J. Thomas (Committee Services Officer) and J. Lloyd (Committee Services Officer).

M. Jones and I. Phillips (Audit Wales).

Also in attendance: 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. 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.

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, 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 Lay Member N. Yates.

4. DECLARATIONS OF INTEREST.

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

5. GOVERNANCE AND AUDIT COMMITTEE HELD ON 16TH APRIL 2024.

It was moved and seconded that the minutes of the Governance and Audit Committee held on 16th April 2024 be approved as a correct record, and by way of Microsoft Forms this was unanimously agreed.

RESOLVED that the minutes of the meeting held on 16th April 2024 (minute nos. 1-8) be approved as a correct record.

6. SPECIAL GOVERNANCE AND AUDIT COMMITTEE HELD ON 1ST MAY 2024.

It was moved and seconded that the minutes of the Special Governance and Audit Committee held on 1st May 2024 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 special meeting held on 1st May 2024 (minute nos. 1-3) be approved as a correct record.

7. 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 June 2024 to January 2025, together with an updated Action Sheet.

Discussion followed regarding the number of reports scheduled for the meeting in October, and the possibility of an additional meeting in November.

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, this was unanimously agreed.

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

8. AUDIT WALES WORK PROGRAMME AND TIMETABLE – CAERPHILLY COUNTY BOROUGH COUNCIL.

I. Phillips, Audit Wales, introduced the report which summarised completed audit work since the last Annual Audit Summary, which was issued in March 2023, including financial audit work and performance audit work.

The Governance and Audit Committee noted the update.

9. AUDIT WALES CAERPHILLY COUNTY BOROUGH COUNCIL ANNUAL AUDIT SUMMARY 2023.

I. Phillips, Audit Wales, introduced the report which showed the work completed since the last Annual Audit Summary, which was issued in March 2023. Members were advised that the audit summary forms part of the Auditor General for Wales' duties.

The Governance and Audit Committee noted the update.

10. AUDIT WALES – CAERPHILLY COUNTY BOROUGH COUNCIL – 2024 AUDIT PLAN.

M. Jones, Audit Wales, introduced the report which covered the financial and performance audit work, including information on the timetable and fee. Members were referred to exhibits 1 and 2 in the report and were advised that they would be notified of any changes.

A Member requested further information on the timetable and the plan and proposed that this be included in the October/November meeting of the Governance and Audit Committee. Members were advised that any updates to exhibits 1 or 2 would be notified to Members as soon as possible, and recommended the earlier meeting scheduled for October.

A Member sought clarification on who determines which areas of work are going to be audited. Members were advised that the work is determined following discussions with CMT and Cabinet Members, although the final decision is made by Audit Wales, and is also dependant on the work included in the Internal Audit Plan.

The Governance and Audit Committee noted the update.

11. ANNUAL INTERNAL AUDIT REPORT 2023/24.

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 2023/24 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 annual audit opinion should include an evaluation of 3 elements: governance arrangements, risk management, and internal control. The audit opinion informs the annual governance review process and is incorporated into the Draft 2023/24 Annual Governance Statement.

A Member noted the Continuous Professional Development (CPD) of the CCBC staff and queried whether they continue to receive CPD after they are qualified, in order to cover legislation changes, and how this is audited to ensure that all staff are up to date, and whether this information could be provided to Members at a future date. Members were advised that qualified staff are responsible for their own CPD, which staff are encouraged to do. Members were also advised that staff appraisals include declarations that CPD has been undertaken and were assured that staff CPD is monitored and kept up to date.

A Member sought clarification on the Internal Audit Manager's opinion and queried the location of the actual opinion in the report. Members were referred to paragraph 5.9 of the report which included the required information.

A Member queried appendix 1 of the report and sought clarification on the term 'effective with opportunity to improve'. Members were advised that if an audit had more than one high risk point then there was a requirement for improvement, despite how effective other areas might be. Members were referred to a document produced in 2018 for the then Audit Committee, which would be recirculated for Members information.

A Member sought further clarification on the information contained in audits and how each audit is determined and proposed further training/information sessions to be provided to Members. Members were advised that consideration would be given to this matter going forward.

The Governance and Audit Committee noted the content of the report and the Internal Audit Manager's annual opinion for the 2023/24 financial year in order for the Committee to gain the required assurance to fulfil its role.

12. DRAFT ANNUAL GOVERNANCE STATEMENT 2023/24.

The Head of Financial Services and S151 Officer introduced the report which presented Members of the Governance and Audit Committee with the Draft Annual Governance Statement for the 2023/24 financial year.

Members were advised that good corporate governance requires the active participation of Members and Officers across the Council drawing on their skills and knowledge. Members were also advised that the Draft Annual Governance Statement for 2023/24 includes an update on the area for improvement noted in the Annual Governance Statement for 2022/23.

A Member sought clarification on 'risk management' in the report and the term 'periodically' in relation to the frequency that risks are reviewed, which does not appear to reflect the statements in the risk management strategy. The Member also noted that the Internal Audit Manager role still remained at 'Acting' status and queried when this could become a permanent role. Members were advised that the term 'periodically' will be reviewed and updated. Members were also advised that the process of recruiting to the permanent role of Internal Audit Manager will commence shortly.

Having considered the Draft Annual Governance Statement for 2023/24 it was moved and seconded that the recommendations be approved. By way of Microsoft Forms (and in noting there were 7 For, 0 Against, and 2 Abstentions) this was agreed by the majority present.

RESOLVED to:

Endorse its content subject to any changes agreed.

13. UPDATE ON PROGRESS AGAINST THE INTERNAL AUDIT SERVICES ANNUAL PLAN 2024/25.

The Acting Internal Audit Manager introduced the report which provided Members of the Governance and Audit Committee with information on progress being made against the 2024/25 Audit Plan, which was presented to the Governance and Audit Committee in April 2024.

Members were advised that the Governance and Audit Committee will be provided with updates on progress at each of its meetings, and details will also be provided of any unplanned work undertaken, new risk areas identified, and any planned work that has been rescheduled to address emerging issues.

In response to a query from a Member it was clarified that the NFI Match Review referred to the National Fraud Initiative that is a programme of work that 'matches' records and data held by Local Authorities and other bodies and is undertaken every 2 years, with the results published on Audit Wales' website.

A Member noted thanks to the Acting Internal Audit Manager and their team for all the hard work in producing the reports for this meeting agenda. The Member queried whether a comparison with the Audit Plan could be considered going forward and Members were advised that the Plan was being used as a working document and details would be considered for the next meeting of the Governance and Audit Committee.

A Member referred to appendix 1 of the report and clarified that the Service Area that was subject to the required 'follow up', was regarding an audit of the management of schools' private funds which would be part of Education Finance.

A Member sought clarification on appendices 1 and 2 and queried whether the 'status' element could be updated and completed in both documents. Members were advised that progress was being made in this area and further dates and details would be added for more clarity going forward.

The Governance and Audit Committee noted the content of the report and the details of the attached appendices showing progress and status of work undertaken in the period 01 April 2024 to 16 May 2024.

14. 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 progress against Internal Audit Report recommendations.

The Governance and Audit Committee had requested that regular reports are provided in relation to the work of the Internal Audit Team, and Members were advised that the report provides an update on the number of recommendations arising from Internal Audit reviews and their current status.

A Member noted thanks for the report and queried whether the information could be combined with the Audit Plan going forward. The Member also sought clarification on the table on page 127 that referred to 40 outstanding audits from the 2022/23 financial year and how this linked in with the 5 'overdue recommendations' stated in the report. Members were advised that the combined information requested would not be applicable as the

information for both reports would not be available at the same time. Members were also advised that the majority of the outstanding audits referred to from 2022/23 were stated as 'merits attention' and would be very low risk with a future due date, therefore would not be included in the 'overdue' information in the report.

Discussion followed regarding the number of 'overdue' audits and how these are determined and dealt with. Members were advised that a separate development session could be arranged for the Governance and Audit Committee Members to provide more detail on this information going forward.

The Governance and Audit Committee noted the information contained in the report.

15. REGULATOR RECOMMENDATION TRACKER PROGRESS UPDATE.

The Business Improvement Manager introduced the report which updated Members on progress of recommendations that have been made by all regulators since the last Governance and Audit Committee update, and to advise 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 February 2024. Since that time there has been one new report received and three new proposals added onto the register. Members were also advised that there are currently 15 recommendations on the register, including the three new ones, and one that is now considered to be completed.

A Member sought clarification on the completed recommendation in relation to the new HR system introduced earlier in the year. Members were advised that the Head of People Services was due to attend a meeting of the Governance and Audit Committee and could advise Members on the new system.

A Member queried whether the 'vote' by Members was appropriate for the recommendation included in the report. Discussion followed regarding the process of reviewing and tracking the recommendations and clarified the recommended actions to be taken, including Members requests for a Head of Service to attend future meetings of the Governance and Audit Committee as and when required.

A Member referred to the table at 5.1 in the report and noted that the column total was incorrect, together with clarification required under 'decarbonisation.' Members were advised that this would be checked and notified to Members where applicable.

Having viewed the specific recommendations attached within Appendix A, it was moved and seconded that the recommendations be approved. By way of Microsoft Forms (and in noting there were 7 For, 0 Against, and 2 Abstentions) this was agreed by the majority present.

RESOLVED to:

Accept the update and to close the proposals that are noted as 'completed' within Appendix A.

16-19. INFORMATION ITEMS.

It was confirmed that the following items had not been called forward for discussion at the meeting, and the Committee noted the contents of the reports.

- (i) Officers Declarations of Gifts and Hospitality January to March 2024.
- (ii) Register of Employees' Interest Forms 2023/24.
- (iii) Corporate Governance Panel Minutes – 2nd May 2024.
- (iv) Corporate Governance Panel Minutes – 14th May 2024.

The Chair thanked Members and Officers for their attendance and the meeting closed at 4.08 pm.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 8th October 2024.

CHAIR