



SPECIAL GOVERNANCE AND AUDIT COMMITTEE

MINUTES OF THE MEETING HELD IN PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON TUESDAY 3RD DECEMBER 2024 AT 2.00 PM.

PRESENT:

Councillors:

Mrs. E.M. Aldworth, A. Broughton-Pettit, M. Chacon-Dawson, E. Davies, and J. Taylor.

Lay Members:

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

Together with:

Officers: S. Harris (Head of Financial Services and S151 Officer), D. Gronow (Acting Internal Audit Manager), K. Peters (Corporate Policy Manager), A. Jones (Committee Services Officer) and J. Lloyd (Committee Services Officer).

Audit Wales: M. Jones, and M. Brushett.

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.

At the start of the meeting, the Chair noted that the Business Improvement Manager, Ros Roberts had retired from CCBC and noted his thanks, on behalf of the Governance and Audit Committee and wished her all the best for the future.

1. TO RECEIVE APOLOGIES FOR ABSENCE.

Apologies for absence were received from Councillors M. A. Adams, G. Enright, and C. Wright (Vice Chair).

2. DECLARATIONS OF INTEREST.

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

3. AUDIT WALES PROGRAMME AND TIMETABLE – CAERPHILLY COUNTY BOROUGH COUNCIL.

M. Jones and M. Brushett, Audit Wales, introduced the report which summarised completed audit work since the last Annual Audit Summary, which was issued in June 2024, including financial audit work and performance audit work.

A Member queried whether the audit of financial statements 23/24, to be drafted by March 2025, was according to plan, and if these would be referred to the Governance and Audit Committee meeting in April 2025. Members were advised that that the 23/24 audits across the local government sectors were carried out in 2 tranches, with Caerphilly being in the second latter one.

In response to a Member query on the Assurance and Risk Assessment process Members were advised that the Chair of the Governance and Audit Committee, together with the S151 Officer, Directors and Chief Executive had all been interviewed by Audit Wales and that a workshop was scheduled in February 2025. .

A Member noted their concerns regarding the provision for children with additional learning needs (ALN). Members were advised that this matter would be raised with the Chief Education Officer and information would be referred back to Members.

The Chair referred to a biennial report regarding the National Fraud Initiative (NFI) and queried whether this was a review of the status across Wales, and whether a more detailed report would be beneficial to the Governance and Audit Committee. Members were advised that a full update could be provided on NFI, and the Audit Wales report could be brought to the Governance and Audit Committee meeting in January 2025.

The Governance and Audit Committee noted the update.

4. PARTNERSHIPS AND COLLABORATIONS – OVERVIEW OF PROCESS AND CURRENT REGISTER.

The Corporate Policy Manager introduced the report which updated members of the Governance and Audit Committee on the process the Council follows to track its involvement in Partnerships and Collaborations. Members were informed that the Council has kept a register of its involvement in partnerships and collaborations since 2014, and the register lists extant partnerships and collaborations and is kept up to date with the input of the Council's Leadership Team.

Members were also advised that the register was developed initially in response to a 2013 Wales Audit Office Report, which was part of a national study, which suggested the Council should improve its approach to planning and managing collaborative projects. The Welsh Local Government Association had previously issued 'A Collaboration Toolkit' in 2012. In 2016 CIPFA issued new 'Guidance Notes for Welsh Authorities on Delivering Good Governance' that included guidance on effective partnerships. The process of compiling the register has been updated as new guidance has become available from external bodies. The continued involvement in, and effectiveness of, partnerships and collaborations are supported by a Council toolkit and the oversight and consideration of Corporate Management Team and Leadership Team.

The Chair noted that he would welcome the report annually to the Governance and Audit Committee, and also noted that he had not been consulted on the report, despite being listed as a consultee.

A Member sought clarification on how specific collaborations work, how they are formed, and queried whether there were formal arrangements and processes for forming the partnerships. Members were advised that these were usually formed as a result of a legislative change, a direction from Welsh Government, or in response to a specific issue or challenge that benefits from a collaborative approach.

A Member sought clarification on the risk assessment and risk management element of partnerships and queried how the Governance and Audit Committee would be kept informed. Members were advised that some partnerships would be included on the risk register, and that Heads of Service could be requested to provide information on the risk management arrangements in place for each of their partnerships.

A Member queried the average timeframe for partnerships and whether any would be missed in the annual report. Members were advised that some would be long-standing, and others would be set up on a 'task and finish' basis. Members were informed that the set-up date of each partnership could be included in the annual report going forward. The Member also clarified that the success of partnerships, achieving what they were formed for, would be measured at a 'Head of Service' level.

A Member noted thanks for the report, and queried how the risks would be incorporated into the Corporate Risk Register. Members were advised that these requests would be considered, and to include the work of the partnerships going forward.

Discussion followed whether the proposed annual report would be preferred twice yearly instead. Members noted that they would prefer an annual report, including the matters previously discussed, and that annually would be sufficient, with the possibility of changing to twice yearly if required in the future. Members were advised that training on risk management was being prepared for the Governance and Audit Committee, and it was suggested that the annual report going forward, could be a main agenda item not an information item as proposed.

Having noted the processes in place to collate the register and track the effectiveness of partnership activity and, following a request that future reports be a main agenda item, not an information item, it was moved and seconded that, subject to this amendment the recommendations be approved. By way of Microsoft Forms this was unanimously agreed.

RESOLVED:

That the Governance & Audit Committee wishes to receive a report annually on Partnerships and Collaborations.

5. UPDATED ANTI-FRAUD ACTION PLAN.

The Acting Internal Audit Manager introduced the report which provided the Governance and Audit Committee with a proposed action plan following the *Audit Wales Review of Counter Fraud Arrangements in Caerphilly CBC* report that was presented to the Committee on 8th October 2024.

Members were advised that a number of recommendations were made in the Audit Wales report presented to the Committee on 8th October 2024, and the Committee were also

provided with details of the management responses to the recommendations. The Audit Wales report also referenced previous recommendations in the Auditor General's report '*Raising Our Game – Tackling Fraud in Wales*,' which was published in July 2020, and provided details of the council's progress in addressing those recommendations.

Members were also informed that an updated anti-fraud action plan has now been developed setting out what is required to address the actions arising from these reports and this was attached at Appendix 1, and the Governance and Audit Committee is responsible for ensuring that strategies and policies relating to fraud, risk management, and internal control are adequately managed and monitored.

The Chair noted thanks to the Officer and their team for the work undertaken in the report.

A Member queried whether there was a timeline for the tasks to be completed. Members were advised that some of the tasks would remain as ongoing and that updates will be provided moving forward through six-monthly progress reports that will be added to the Forward Work Programme.

Members were also advised that fraud information pages have now been set up on the CCBC Intranet and that a communications programme had recently been delivered to align with Fraud Awareness Week in November.

Members were advised that staff within the Internal Audit Team had recently gained anti-fraud qualifications and that if they were to leave the Authority the same qualification opportunities would be available to new staff members in the future. Members were also advised of Officer networks with other anti-fraud officers and staff attendance at an anti-fraud conference.

Discussion followed regarding further training for Members which could also include Lay Members in the future. Members were advised that enquires would be made and information referred back to Members.

Having considered the updated Action Plan, it was moved and seconded that the recommendations be approved. By way of Microsoft Forms this was unanimously agreed.

RESOLVED:

That the Updated Action Plan be approved.

6. PEER REVIEW OF INTERNAL AUDIT SERVICES COMPLIANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS).

The Acting Internal Audit Manager introduced the report which informed Members of the Governance and Audit Committee of the outcome of the External Quality Assessment (EQA) of the Internal Audit Section, in order to ensure compliance with the Public Sector Internal Audit Standards (PSIAS).

Members were advised that the report provided details of the outcome of the peer review EQA, with the report of the assessor attached as Appendix 1, and the assessment report also made a number of recommendations with an action plan attached as Appendix 2.

Members were also advised of a Members' training session planned for February 2025.

The Chair noted congratulations to the Officer and their team on the assessment.

A Member sought clarification on the lack of specialist IT Audit skills and queried whether this expertise could be 'borrowed' from another authority as and when required. Members were advised that specialist IT staff in relation to IT risk could be 'bought in' if the need arose.

Discussion followed in relation to cloud hosting and security issues and the practical element of protecting personal data. Members were advised that there was a cloud migration protocol, and it was proposed that an IT report could be produced for future reference to the Governance and Audit Committee.

The Governance and Audit Committee noted the report of the EQA and the associated action plan.

7. 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 Internal Audit Services Annual Plan 2024/25 and other unplanned work to 31st October 2024.

Members were advised that some audits planned for Q2 and Q3 had either not been started or progress had not been made. This was primarily due to some audits over running, some audits being brought forward in the plan due to emerging risk issues, and an element of sickness absence that has impacted on staffing resources. A review of these will take place, together with some flexing of the plan for the rest of Q3 and Q4. Members were also advised that a further member of staff was undertaking the CIPFA Fraud Technical qualification in order to strengthen the Counter-Fraud capacity within the team and time was not originally allocated in the plan for this additional training, so this had had some impact on available staffing resources.

A Member queried items regarding divergence from the plan and noted that some audits had not yet been started. Members were advised that the plan is always subject to change due to unforeseen circumstances, some audits taking longer than planned, other risks arising causing a change in priorities and staffing issues. Members were advised that the plan is monitored, and Heads of Service may also request their planned audits are undertaken earlier than planned. It was also proposed that more information could be included in future reports regarding audits that did not occur, together with reasons and new rescheduled dates. The Member referred to audit opinions included in appendix 2, noting 'inadequate and needs to improve' and requested further information on these going forward, and also clarified that the 'audit period' referred to in appendix 3, was the period of time in which the audit takes place.

The Governance and Audit Committee noted the content of the report and the details of the attached appendices showing the progress and status of audit work undertaken in the period 01 April 2024 to 31 October 2024, together with the opinions generated from any completed and finalised audits.

8. 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 the report provided an update on the number of recommendations arising from Internal Audit reviews and their current status.

The Chair referred to a number of draft reports in the recommendations and noted that final reports were still awaited, suggesting reminders could be sent to the Chief Education Officer in order for these to be finalised. Members were advised that it was proposed to have quarterly meetings with Directorate Management teams going forward, to ensure that audit recommendations are addressed within the agreed timescales.

Members noted the information contained in this report.

The Chair thanked Members and Officers for their attendance, including the Cabinet Member Councillor E. Stenner, and the meeting closed at 4.01 pm.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 21st January 2025.

CHAIR