

# GOVERNANCE AND AUDIT COMMITTEE

(Via Microsoft Teams)

**Members Present:**

**12 October 2023**

**Chairperson:** Councillor J.Jenkins

**Councillors:** A.J.Richards, O.S.Davies, P.D.Richards,  
S.Grimshaw, R.Mizen and W.Carpenter

**Officers In Attendance:** D.Mulligan, H.Jones, A.O'Donnell, L.McAndrew,  
N.Jenkins, A.Lewis, C.Furlow-Harris and  
S.McCluskie

**Representing Audit Wales:** N.Jenkins, J.Brown, and A.Lewis

**Voting Lay Member:** A.Bagley, M.Owen

---

1. **CHAIRPERSON'S ANNOUNCEMENT/S**

The Chair welcomed everyone to the meeting.

2. **MINUTES OF PREVIOUS MEETING**

The minutes of the previous meeting, held on the 16<sup>th</sup> of June 2023, were approved as a true and accurate record.

3. **DECLARATIONS OF INTEREST**

There were none.

4. **AUDIT WALES – Q1 WORK PROGRAMME AND TIMETABLE**

Officers provided an overview to the circulated report. Members went on to request clarity to the following point,

- Information on quarterly statuses and pending reports. Completion dates and have these been achieved.
- Estyn Update

- Ukrainian Refugee Study scope

Audit Wales provided an update to a number of reports. Members were informed, the report in front of them today was regarding the first quarter, April 2023 to June 2023, with quarter two September 2023 to December 2023, expected at the next Committee.

Officers stated the Accounts audit for 2022-2023 are nearing completion, including the ISA 260, which Members can expect to see at the next G&A Committee. The performance audit for 21-22 is also nearing completion and members should have sight of the report prior to Christmas 2023. Several reports have recently been signed off by Audit Wales including the Digital Thematic review, and the scrutiny review. Members are expected to see all reports over the next few months.

From pages 22 onwards are the national studies which can be found in the circulated agenda pack.

Audit Wales were able to confirm updates relating to Estyn and CIW and could be found on page 24 of the circulated report pack, which outlines any updates of the first quarter, from the 1<sup>st</sup> April 2023 and, up to and including the 30<sup>th</sup> June 2023.

Updates regarding quarter 2 1<sup>st</sup> July 2023 to the 30<sup>th</sup> September 2023 will be presented at the next scheduled G&A Committee.

Members referred to the table of reports that were in progress, particularly surrounding Ukrainian refugees, which could be found on page 29 of the circulated report pack. Members queried if the money received from Welsh Government had solely been used for this service, and how much funding had been received. Was the funding used within the current financial year, and if so, how much of the funding was spent on local authority accommodation and private accommodation.

Audit Wales stated that unfortunately they were unable to provide an answer to the question at the meeting but would send through the Ukrainian Refugee Study scope information to the Committee after the meeting. The Chair requested the information be distributed to all Committee members.

An update of the partly complete housing benefits subsidy and financial impacts to the authority would be provided following the meeting, Audit Wales confirmed.

Audit Wales was able to further confirm the status of the Springing Forward thematic report, informing members from quarter three all Councils across Wales would be in receipt of the thematic reports for their councils, and that the delay was not just in relation to NPT Council. The 2023-24 Financial Sustainability thematic work along with the Commissioning and Contract Management thematic work are both currently being scoped as planned.

Members went on to query the setting of general deadlines, with Audit Wales confirming dates are usually set on a yearly basis, with some dependant on their statutory status. Resourcing issues experienced since the pandemic have impacted deadlines being stretched, but that resourcing has now been addressed and that progress was now being made quickly to finalise the remainder of the 21-22 and 22-23 work and that the Committee will be seeing many audit reports over the coming months which will be presented alongside the Council's organisational responses.

**Resolved:**

The report was noted for information.

5. **AUDIT WALES – SETTING OF WELL-BEING OBJECTIVES**

Officers provided an overview to the circulated report. Members commented on the following and made a request for clarity to,

- The use of acronyms and abbreviations detailed within reports, not being understood by members.
- Further clarification to the use of BI, and it is full terminology.

WAO went on to provide an overview to the circulated report, in particular the findings of the work undertaken. Ongoing programmes of work where the auditor general must assess the extent of which bodies have acted in accordance with the sustainable development principle. Primary Question the review looked to answer was how the Council has acted in accordance with the sustainable development principle when setting its new well-being objectives.

Members attention was drawn to appendix 1 of the report, which sets out positive indicators that illustrate what good would look like for the authority in setting well established well-being objectives. Not all indicators were reviewed in the process.

Overall, the conclusion is set out on page 44 of the report, where the council were found to have the Council has applied the Sustainable Development Principle and conducted extensive engagement when setting its Well-being objectives but will need to further develop its monitoring arrangements. Members were informed further developments in monitoring arrangements would need to be actioned. Examples presented to the Committee from the findings and to demonstrate the positive outcome were:

- the understanding of future trends and needs and the longer-term status as set out in the Corporate Plan, which was deemed a useful exercise. Engagement with internal and external partners, organisations etc. was deemed effective which had assisted in shaping the well-being objectives.
- The third positive outcome noted, was that each well-being objective had its own responsible lead, led by individual Directors. Cross cutting themes and the importance to these were also highlighted.

Members were told, several areas for improvement areas including:

- More to be done to fully understand how and when the Council's partners will support the delivery of its WBOs and to clearly articulate this in Service recovery plans.
- The Council should develop a clearer understanding for how it is using its resources to deliver its WBOs. Doing this will strengthen the relationship between its resources allocation and delivering on its priorities.
- The arrangements for monitoring delivery of WBOs need to be further developed. Particularly around ensuring that the current suite of measures is more outcome focused as this will help it to improve how its measures progress on the cross-cutting WBOs.

The areas for improvement had formed the basis for the recommendations being found on page 48 of the circulated report pack.

The Chair went on to ask for clarification to the use of abbreviation Power B1 within the report. Audit Wales confirmed Power BI was a piece of software used to visualize performance information and present such information in an alternative format. The Chief Finance Officer informed the Committee that a new data team had been established within the digital services department to action Power BI. The committee were also told BI stood for Business Intelligence for clarification. The Chair also went on to make clear reference to

careful interpretation used within reports i.e., presenting useful information and then using words like, however.

Officers went on and brought the Committees attention to page 56 of the agenda report pack and the Councils response to the recommendations, which were presented to Cabinet on the 20<sup>th</sup> of September 2023 and approved at this meeting. Each response can be seen in bullet form against each recommendation outlined by Audit Wales.

The corporate plan for the next financial year 2024 onwards is currently being revised by the authority, with the outcome to the four wellbeing objectives taken from the Let's keep talking campaign. Officers stated this would be a good opportunity for partners to help and support the Council in delivering the objectives. The Medium-Term Financial Plan is being conducted in parallel with the revision of the corporate plan for 2024 onwards. Recognition has been noted that the current Corporate Performance Management framework has not got a basket of outcome measures.

Members went on to congratulate Audit Wales on the report and note the positive outcomes for the Council.

**Resolved:**

The report was noted for information.

**6. AUDIT WALES – REGISTER OF REGULATORS REPORTS AND RECOMMENDATIONS**

Officers provided an overview to the circulated report, with the following items listed for clarification, with noted comments,

- Following the report, which was presented to Cabinet on the 28<sup>th</sup> September, 2023, were there any comments received.
- Were NPT the only Council not to receive the 'Springing Forward' report out of the 22 Councils across Wales.
- Confirmation on the abbreviation MTFs.

Officers went on to provide the committee with an overview to the circulated report, highlighting that there were no updates from the four regulators reports submitted at the last quarter. Further to the current third quarter Officers, informed the Committee of two national reports from Audit Wales with no recommendations,

the other of which is inclusive of eight recommendations. Four of which were for Welsh Government and the other for the Council. The committee were told each has been passed to relevant officers for response, with the responses presented at the next Committee.

Members raised a query on page 58 of the circulated report pack, relating to the submission of reports. Audit Wales confirmed NPT were not the only Council to not have received its Springing Forward reports, with Audit Wales working to finalise the reports which can be expected to be with the Committee by Christmas 2023.

Members queried if there were any recommendations not taken forward and could assurance be given that these recommendations would not impact NPT. Also, members queried any actions that were overdue. Officers confirmed comments would be noted for the next meeting.

Members raised a query to the financial condition for supporting in the effective delivery of the accountability of well being. Members asked what were the financial implications to this condition. The Chief Finance Officer, confirmed that the medium term financial plans would be coming forward early winter. The Let's keep talking campaign would feed into the corporate plan and be considered within the new set of well-being objectives.

Again the committee were reminded to the appropriate use of acronyms used within reports. Medium Term Financial Strategy (MTFS).

**Resolved:**

The report was noted for information.

**7. COMPLIMENTS AND COMPLAINTS ANNUAL REPORT 2022-2023**

Officers provided an overview to the circulated report. Members asked for clarification on the following items,

- How many complaints were under protocol and can this information be retrieved.
- Complaints that are registered with Officers directly, are they recorded within the Performance Management system? Is the information accurate.

- Is there any comparable data of previous years and how is this captured?
- Are there any comments of the report following Cabinet Board, if so, what were the comments, and were there any further queries.
- Were there any financial recommendations from Cabinet.

Officers went on to explain the number of compliments and complaints received within the annual report for 2022 2023. There was a noted increase in the number of complaints received within the year, from 111 to 165, 12 of which were upheld. Stage two complaints saw a decrease from 25 to 22 in the year, three of which were upheld.

On a positive note, there had been an increase in the number of compliments received, from 249 to 346.

Members went on to congratulate the increase to the number of compliments achieved, but also raise concern to the number of complaints received that were not necessarily noted within the system. Members stated officers were directly being contacted with complaints which did not pass through the complaints programme. Clarity was raised to the process of addressing complaints and the category specific complaints would fall under.

Officers assured the committee to the large-scale work currently being undertaken of the complaints system, particularly surrounding how members of the public can access the complaints procedure and how complaints are taken forward.

Members made a request to incorporate how complaints and compliments going forward can be filtered through to Members. Officers responded by stating this would be factored into the ongoing review.

Following the report submitted to Cabinet on the 20<sup>th</sup> of September there were two follows on questions, the first being, if Members compliments were noted within the system, of which officers confirmed they were. The second being if complaints were split between services and staff, officers confirmed that they were not. Members asked how many protocols the Council currently has in place, of which officers confirmed one, which is to be reviewed within six months.

Members raised a query of when the last time internal audit reviewed the compliments and complaints programme. Officers confirmed that

it will be included within next year's plan, and thereafter going forward.

Members further asked if the root cause to complaints were assessed. Again, officers stated that it would form part of the review process.

**Resolved:**

The report was noted for information.

**8. TREASURY MANAGEMENT MONITORING 2023/24**

Officers provided an overview to the circulated report. Members considered all information and made a request for clarification to the following items.

- Short-term borrowing of fourteen million pounds. Table relating to two sums of money borrowed. Could officers explain what the sums were used for and why?

The Chief Finance Officer went on to provide an overview to several topical points noted within the circulated report. At page 73 of the report, short-term borrowing commenced at the end of March, beginning of April 2023 due to temporary cash flow issues. Members were reassured that an expert team are employed to deal with management investment along with the borrowing of monies being monitored.

The committee were informed at the end of March 2023, £53 million pounds were invested in various counterparties, therefore creating financial resilience. There had been a late submission of a grant from Welsh Government which saw the Council borrow finances from partner authorities. A total of £14 million in total, was borrowed on a short-term basis.

From page 74, members will note that investments from the end of June 2023, which amount to just over £60 million pounds, gives the Council resilience in its finances.

Members asked for clarification to F1, page 74 of the circulated pack. The Chief Finance Officer went on to explain that F1 relates to the criteria the Council must abide by when it comes to investing money. For further clarification, the Chief Finance Officer explained that F1 is



summarised as 'the strongest capacity a timely payment of financial commitments.'

Lay Member's queried if any penalties would occur if the maturity date were brought forward. Members were told that a penalty would occur, but to move a maturity date, consultation would need to be undertaken with all institutions involved.

**Resolved:**

The report was noted for information.

9. **INTERNAL AUDIT - QUARTERLY UPDATE REPORT**

Officers presented the Committee with an overview of the circulated report. Members requested clarification on the following points.

- Monitoring performance of the service.
- Pressures of workstreams and concerns on current staffing levels, due to ongoing staffing sickness levels.
- Procurement cards and the non-compliance reasons.
- Verbal communication as opposed to email for clarity and confirmation in relation to a recommendation within report no. 24.

Officers went on to provide an update to the Quarterly report, stating sixteen reports had been submitted during the quarter, details of which can be found within appendix one of the circulated reports. For clarity it was highlighted to Members on the assurance rating being either substantial or reasonable, of which both are the two highest ratings. Members were informed that information relating to the assurance categories can be found on page 89 of the report pack.

Procurement cards titled R24 within the table, received a limited assurance which was arrived at due to issues found with the authorising and coding of purchases and not what the cards were being used to purchase. A response from the Chief Finance Officer found on page 94, appendix 3 of the circulated report pack.

The officer went on to state that the department had been impacted by sickness and, with one member of the team leaving the authority. As a result, the delivery of the audit plan is anticipated to be restricted. Officers stated they would be working closely to find ways

to mitigate the impact to the plan. A revised plan is expected to be brought to members at the January meeting.

The Audit Manager was able to confirm the vacancy for the Auditor post had now gone out to advert and was currently live within the jobs system. A decision to delay the vacancy was taken by the Audit Manager due to similar vacancies being available at other organisations. Members were told a total of 92 days had been lost to sickness, with two members of staff continuing to be unfit for work.

The Committee were reminded that the audit plan had been agreed in March. One audit had been in relation to accident reporting corporately and another to accident reporting in schools, which in total came to between 20 and 25 days to complete, a large number of days within the plan.

The Audit Manager went on to suggest a solution to clawing back some of the lost days. In relation to the audit for accident reporting corporately, that being an additional test to be added every service. Asking what accidents have been reported, if any, and seeking confirmation that the policy been followed. If no accidents have occurred can the manager evidence that they are aware of the policy and what needs to be done should an accident occur. The same process is suggested for schools in relation to accident reporting, and an additional test added to the health and safety section of the school's audit programme. The solution was agreed by the Committee, for a revised plan to be formally adopted in January.

**Resolved:**

The report was noted for information.

10. **INTERNAL AUDIT - EXTERNAL ASSESSMENT UPDATE**

Officers went on to inform the committee of the external assessment undertaken in line with the Public Sector Internal Standards a review must be undertaken every five years by an external party. The latest assessment had been undertaken by Conwy County Council, and the Assessor awarded at the highest level of conformance available to her. The report states that the Internal Audit Service conforms with the standards and that all details can be found within appendix 1 of the report. Members went on to congratulate officers on the outcome achieved.

**Resolved:**

The report was noted for information.

11. **FORWARD WORK PROGRAMME**

The Forward Work Programme for 2023 2024, was noted.

12. **ACCESS TO MEETINGS**

**RESOLVED:**

That pursuant to Section 100A(4) and (5) of the Local Government Act 1972, the public be excluded for the following items of business which involved the likely disclosure of exempt information as defined in Paragraphs 12, 13 and 14 of Part 4 of Schedule 12A to the above Act.

13. **INTERNAL AUDIT - SPECIAL INVESTIGATIONS**

Officers provided the Committee with details to all submitted private reports in regards to Special investigations, including any ongoing current special investigations.

**Resolved:**

That that report be noted for information.

**CHAIRPERSON**