

**NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

**GOVERNANCE AND AUDIT COMMITTEE**

**12<sup>th</sup> JULY 2024**

**Annual Report of the Governance and Audit Committee 2023/24**

**Matters for Information**

**Wards Affected**

All Wards

**Governance & Audit Committee Annual Report 2023/24**

**Purpose of the Report**

To update Members on the work undertaken by the Governance and Audit Committee for the Civic year 2023/24.

- Background

To provide an overview of the work of the Committee for 2023/24.

**Financial Impacts**

No impact.

**Integrated Impact Assessment**

- There is no requirement to undertake an Integrated Impact Assessment.
- Valleys Communities Impacts
- No impact.
- Workforce Impacts
- No impact.
- Legal Impacts
- No implications.
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- Risk Management Impacts
- No impact

**Consultation**

- There is no requirement for external consultation on this item.
- Recommendation

- That Council note and endorse the Governance and Audit Committee Annual report as detailed in Appendix 1.
  - Reason for Decision
  - To update Members on the work of the Governance and Audit Committee for 2023/24
  - Implementation of Decision
  - This report will be for immediate implantation.
- Appendices:
- Appendix 1. Chairs Annual report
  - Appendix 2. Committee Terms of Reference

**Officer Contact:**

J Jenkins – Chair of the Governance and Audit Committee

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**Governance and Audit Committee – Draft Annual Report 2023-2024  
To be presented to the Governance and Audit Committee on the 12<sup>th</sup> July  
2024**

**Introduction**

This report summarises the work undertaken by the Governance and Audit Committee (the Committee) of Neath Port Talbot County Borough Council (the Council) during the 2023-2024 Civic Year.

The Committee is a regulatory committee. It is a decision making forum providing independent assurance on the adequacy and effectiveness of the risk management framework; internal control environment; performance assessment; complaints handling; and the integrity of the financial reporting and governance processes. It focusses on matters to do with Assurance; Governance; Accountability; Risk Management; and Independence.

The Terms of Reference for the Committee can be found at **Appendix 2** of this report.

**Membership**

The Committee consisted of eight councillor members and four lay members: Councillors A Aubrey, A Richards, M Spooner, O Davies, P D Richards, P Rogers, R Mizen, and W Carpenter; and Voting Lay Members A Bagley, M Owen, H Griffiths, and J Jenkins.

The Committee Chair and Deputy Chair are elected annually. They were Joanna Jenkins (Chair) and Helen Griffiths (Deputy).

Sadly, Cllr Marcia Spooner died on the 30<sup>th</sup> October 2023. She had been a diligent member of the Committee: her death is a great loss to the community and to the County Borough of Neath Port Talbot. The Committee also noted the untimely death of a previous long standing member, Cllr Sheila Penry.

## **Work Programme**

While the Committee's forward work programme is agreed by members on a rolling basis, the work is often driven by statutory requirements and by events as they emerge.

The Committee met five times during the year. The meetings, held via Microsoft Teams / Hybrid in the Council Chamber Council Chamber, were filmed and made available for viewing on the Council's internet site.

The Chair and officers attended Welsh Local Government Association training sessions in October 2023 and March 2024.

## **Specific Duties and Tasks Undertaken by the Committee**

In order to discharge their duties in respect of audit services, the Committee considered a large number of documents during the Civic Year. Documents received and discussed by the Committee included:

- An updated version of the Register of Regulators' Reports and Recommendations. The report provided an overview of the regulators' reports received since the previous Governance and Audit Committee; and noted what actions had been taken to address recommendations.
- The Council's Draft Annual Governance Statement 2022-2023. The statement assured the Committee of the Council's robust governance procedures.
- A six monthly Annual Governance statement update report. The report updated the Corporate Governance Improvement Action Plan for 2023-24.
- The Council Audited Statement of Accounts 2022- 23.
- Audit Wales presented the main findings of the Audit of Accounts 2022-23. The report highlighted the Auditor General's intention, as the statutory external auditor for most of the Welsh public sector, to issue an unqualified audit report.

- A report regarding the 2022-23 Statement of Accounts. The report had been prepared following completion of the external audit and the receipt of the final Statement of Accounts 2022-23.
- The final 2022-23 Statement of Accounts; the Letter of Representation; and the Annual Governance Statement. The meeting authorised the Chair to sign the Statement of Accounts and the Letter of Representation.
- The Corporate Risk Management Policy.
- A revised version of the Anti-Fraud and Corruption Strategy.
- The Internal Audit Annual Report 2022/23. The report provided assurances on the audit work undertaken and the governance arrangements. Officers confirmed that this year the Head of Internal Audit had issued “a reasonable assurance” rating. Noting that assurance can never be absolute, it was noted that this is the highest possible rating.
- The Chair’s Draft Governance and Audit Committee Annual Report 2022-23. The Chair subsequently presented the Governance and Audit Committee Annual Report 2022-2023 to Full Council.
- Audit Wales’ Setting of Well-being Objectives report together with the organisational response to the report.
- The Compliments and Complaints Annual Report 2022-23.
- The Treasury Management Monitoring 2023-24 report. Having already been presented for consideration to the Cabinet, the document set out treasury management action and information. A further update monitoring report was also presented to the Committee in line with the Committee’s terms of reference.
- An Internal Audit External Quality Assessment update report. To comply with Public Sector Internal Standards, an external assessment must be carried out every five years by an external party. This latest assessment, undertaken by a Conwy County Council assessor, saw the assessor award the highest level of conformance available to them.

- The Council's Strategic Risk Register.
- The Draft Self-Assessment 2022-23 – a means of keeping performance under review.
- Audit Wales presented a review of the effectiveness of the Council's scrutiny arrangements. Having conducted an initial, baseline, audit of the scrutiny arrangements in 2018 this latest review, which contained five recommendations, suggested that 'the Council is missing areas of opportunity for scrutiny to maximise its impact, its influence and effectiveness in holding Cabinet to account.'
- Audit Wales presented a Strategic Approach to Digital Service report. The report was positive but concluded that, while the Council had an integrated and well-articulated digital strategy, it lacked a clear delivery period making it more difficult for the Council to assess progress and value for money.
- Details of the Draft Internal Audit Strategy and Risk Based Plan for 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023; and the current Internal Charter were presented and approved by the Committee.
- Audit Wales presented quarterly updates detailing a summary of the work undertaken by external regulators and inspectorates.
- Members received details of the internal audit work undertaken on a quarterly basis. The reports included details of new and ongoing special investigations.
- Audit Wales – Strategic Workforce Management – NPTCBC Organisational Response Report.

**Joanna Jenkins**  
**Chair, Governance and Audit Committee**

## **Terms of Reference**

The Governance and Audit Committee has been required to discharge, with delegated authority, the following functions since March 2021:

- review and scrutinise the authority's financial affairs, including approval of the Annual Statement of Accounts;
- make reports and recommendations in relation to the authority's financial affairs;
- review and assess the risk management, internal control and corporate governance arrangements of the authority;
- make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements;
- oversee the authority's internal and external audit arrangements, including internal and external audit work plans, receive, review and make reports on audit work and performance;
- review the financial statements prepared by the authority;
- review and assess the authority's ability to handle complaints effectively and make reports and recommendations in relation to the authority's ability to handle complaints effectively.