

GOVERNANCE AND AUDIT COMMITTEE

(Multi-Location Meeting - Council Chamber, Port Talbot & Microsoft Teams)

Members Present:

22 November 2024

Chairperson: J.Jenkins

Vice Chairperson: M.Owen

Councillors: S.Grimshaw, R.Mizen, C.Clement-Williams, J.Henton and A.Lodwig

Officers In Attendance: N.Daniel, H.Jones, C.Griffiths, S.Payne, D.Mulligan, L.McAndrew, R.Livingstone, L.Parry and N.Jones

Representing Audit Wales: M.Phoenix

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

The Chairperson welcomed all to the meeting.

The Chair mentioned that they have a Lay Member vacancy available and will be interviewing for the post on the 6th December, 2024.

2. **DECLARATIONS OF INTEREST**

There were no Declarations of Interest received.

3. **MINUTES OF PREVIOUS MEETING**

The minutes of the previous meeting held on the 12th July, 2024, were approved as a true and accurate account.

There was an error in the minutes, it was mentioned that Joanna Jenkins and Mark Owen were referred to as Councillors instead of Lay Members.

4. **FORWARD WORK PROGRAMME**

Decision:

That the forward work programme 2024/ 2025 be noted.

5. **CLOSURE OF ACCOUNTS 2023/2024**

Officers provided an overview to the circulated report.

Officers thanked Audit Wales and Officers from Neath Port Talbot Council for all the work they have done with preparing the accounts.

6. **AUDIT WALES - CLOSURE OF ACCOUNTS 2023/2024**

Officers from Audit Wales provided an overview to the circulated report.

Officers mentioned they intend to issue an unqualified audit opinion, once they have received the signed letter of representation.

During the audit, two further risks were identified which Audit Wales were required to report to Committee. The first risk was around internal charges which had been made throughout the year. Additional Work was required to be undertaken by the Finance team although the accounts were found to be correctly stated. Audit Wales have made a recommendation for the Council to review the relevant policies and procedures around the presentation of internal recharges.

The second risk identified was a risk around the classification of surplus assets. The initial testing found that an asset had been duplicated and was within both surplus assets and in other land and buildings. There were further errors noted in the report and Audit Wales recommended the Council review the remaining balance during 2024/2025.

There were two errors that had not been amended and management had agreed to amend these in 2024/25.

7. **AUDIT WALES - PROGRAMME & TIMETABLE - QUARTER 2 UPDATE APRIL TO SEPTEMBER 2024**

Officers provided an overview to the circulated report.

Officers explained this is the timetable for Audit Wales work, Quarter 1 has been superseded with Quarter 2 update, which was brought to the meeting in October 2024, which was postponed.

Members asked what the acronym AOLE means. Officers explained it stands for Areas of Learning and Experience.

8. **CORPORATE RISK MANAGEMENT ARRANGEMENTS**

Officers provided an overview to the circulated report.

Officers explained there had been significant improvements made to the Strategic Risk Register which has made it more presentable. A risk appetite statement has been added to this also, which is a work in progress.

Officers explained they have improved on the inherent risk score and residual risk score. Whether it was high, medium or low risk, (red, amber or green)

Members asked in relation to SR21 – Hotel Accommodation, there is reference to the possibility of there being a legal challenge, members asked who the legal challenge is from.

Officers explained that, looking from a planning perspective is how the planning obligations is balanced in respect of hotel accommodation, against the overwhelming need at present to provide the temporary accommodation, because of the additional responsibilities placed on Local Authorities from Welsh Government. If there was a challenge where temporary accommodation was being used and the appropriate planning elements haven't been complied with, where permitted development rights are used, there would be some opportunities to clarify and address that.

In relation to 'has there been any change in risk rating since last report', Members asked why the box has been ticked.

Officers explained in relation to appendix 3, it indicates graphically whether the residual risk has reduced or stayed the same, the box indicates whether it has changed since the last report. Officers accept they can't see if it has increased or decreased, therefore Officers stated they can strengthen as a visual for the Committee in the future.

In relation to target risk, Members asked when they will be populated. Officers explained when the residual and the inherent risk scores are looked at, is the risk score low enough or should it be lower again.

Officers would be challenged to see what else could be done to minimise the risk.

Officers mentioned this report will be brought back in six months' time.

9. **PROGRESS UPDATE - USE OF PERFORMANCE INFORMATION: SERVICE USER PERSPECTIVE AND OUTCOMES**

Officers provided an overview to the circulated report.

Recommendation one - Officers mentioned this report was brought to Governance & Audit Committee on the 12th July, 2024. The appendix of the management response form that was submitted to Audit Wales with comments, work has been ongoing since the report has been received from Audit Wales, to look at embedding service user perspective across the Corporate Plan and the performance monitoring throughout the year.

Recommendation two – Officers explained they are making good progress, they have introduced the strategic planning and performance group, where there are senior officers sitting on that group, that both feed into senior management team meetings and engaging with accountable managers and performance officers.

Recommendation three - In relation to the accuracy of data, it is on the internal audit plan going forward to check the data that is being used, is accurate.

Members asked if there was a completion date for the three recommendations. Officers explained it's a work in progress and in the New Year the Corporate Performance Management Framework is looking to be signed off. At the end of the financial year, Officers are looking to have more of a robust use of Service User Perspective.

10. **REGISTER OF REGULATORS REPORTS & RECOMMENDATIONS**

Officers provided an overview to the circulated report.

Since this report came to Committee previously, there had been four national reports produced by Audit Wales. Officers mentioned that the Neath Port Talbot Financial Sustainability report and also the Digital

by Design report will be going to Governance and Audit Committee on the 21st February, 2025.

11. **PUBLIC SERVICE OMBUDSMAN FOR WALES ANNUAL REPORT 2023/2024**

Officers provided an overview to the circulated report.

Members asked in relation to the Town and Community Council Appendix G information, why isn't Neath stated.

Officers mentioned there has been no complaints in respect of a Neath Council member referred to the ombudsman office, there are 16 Town and Community Councils all in the Neath Port Talbot area.

12. **INTERNAL AUDIT UPDATE REPORT 2024/25**

Officers provided an overview to the circulated report.

Members asked for a fuller response in the future with regards to the letters.

Officers thanked members for feedback and assured members that there will be more information and detail within the template to provide context to the committee, which will include - original audit report date, assurance rating, number of recommendations raised and the post audit review dates.

Officers mentioned there has been sick leave in the team and will ensure that they have an update on audit resourcing within the committee pack. The team has delivered a strong level of plan delivery to date.

Members asked in relation to mandatory training engineering services, it has raised from 33% to 73.4%, but still a lot of staff haven't had mandatory training. Officers explained the audit plan had a spot check approach per directorate, to look at this area to assess the completion rate for specific teams, they are being reviewed and managed by relevant senior management teams for progression and to achieve the completion rate.

13. **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.

14. **SPECIAL INVESTIGATIONS UPDATE REPORT**

Officers provided an overview to the private circulated report.

CHAIRPERSON