

GOVERNANCE AND AUDIT COMMITTEE

(Multi-location meeting Council Chamber Port Talbot/Microsoft Teams)

Members Present:

26 January 2024

Chairperson: Councillor J.Jenkins

Councillors: A.J.Richards, O.S.Davies and P.Rogers

Officers In Attendance: H.Jones, A.O'Donnell, L.McAndrew, S.Curran, A. Thomas, N.Daniel J.Woodman-Ralph and S.McCluskie

Representing Audit Wales: A.Lewis, and N.Jenkins, R.Harries

Voting Lay Member: A. Bagley and M. Owen

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

The Chair, J. Jenkins, welcomed all to the meeting. The Chair expressed her deep sadness to the loss of former Committee Member Cllr Sheila Penry.

The Chair went on to inform the Committee of a Members Seminar on Digital Data and Tech Strategy scheduled for the 15th of March. Members were also told of a pending training session regarding Risk Management that they are encouraged to attend. The committee were made aware that the planned arrangements were that the sessions would be held 4.00-5.30pm and via Zoom, and that dates were to be confirmed.

2. **DECLARATIONS OF INTEREST**

There were none.

3. **MINUTES OF PREVIOUS MEETING**

That the minutes of the previous meeting, held on the 13th November 2023, be approved as a true and accurate record.

4. **AUDIT WALES - PRESENTATION ON THEIR REVIEW INTO THE EFFECTIVENESS OF SCRUTINY ARRANGEMENTS AT THE COUNCIL**

Audit Wales gave the committee an overview of the circulated report, and officers were thanked for their input and continued contribution to the review.

Audit Wales went on to explain to the committee that an initial audit on the effectiveness of the Councils' scrutiny arrangements had been undertaken in 2018 and had been used as a baseline. They explained that their overall finding was 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 discussed the five recommendations listed within the circulated report.

Officers then gave the committee an overview of the Council's response, which was included in the organisational response form. The committee were informed that members of Council has instructed the Chairs and Vice Chairs of Scrutiny Forum to establish a Task and Finish group to consider how to implement the Audit Wales report recommendations. The recommendations from this Task and Finish Group will be reported to Council in March 2024, for any changes to the scrutiny model to be ratified. Cllr P Rogers, Chair of the Council's Cabinet Scrutiny Committee, and a member of the Task and Finish Group went on to give the Committee a brief update on progress. Cllr Rogers stated that subgroups had been established into groups of four, each consisting of three members. Part of the groups focus has been to attend and review neighbouring organisations and their scrutiny processes.

The Chair asked if there was a role for the Governance and Audit Committee to be involved in the Chairs and Vice Chairs forum at this stage. The Committee agreed that once proposals had been established the Chair would be involved in the assurance processes and agreed the key role that the Governance and Audit Committee will have, ensuring that any changes to the scrutiny model are fit for purpose.

RESOLVED:

- That the Governance and Audit Committee note the report by Audit Wales in relation to their review of Scrutiny Arrangements.

- That the Governance and Audit Committee note the Organisational Response Form, that was issued by the Council in response to Audit Wales.
- That the Governance and Audit Committee note that the Chairs and Vice Chairs of Scrutiny are undertaking a Task and Finish Group, one that will add detail.
- That the Governance and Audit Committee will receive the final organisation response form, once the task and finish group have concluded and Council has agreed how it plans to address the recommendations raised by Audit Wales.

5. **AUDIT WALES - STRATEGIC APPROACH TO DIGITAL SERVICES**

Audit Wales went on to take the Committee through the work undertaken on the Strategic Approach to Digital Services. The committee were informed the work had been conducted across 22 Councils in Wales, with most of the work undertaken between March and August 2023. Field work for NPT Council was undertaken in July 2023.

The review focused on how the Council was acting in accordance with the sustainable development principle when developing its strategic approach to digital, and whether there were proper arrangements in place to secure value for money in the use of its resources.

The Committee were made aware to the digital data and technology strategy approved in July 2023, with the report reflecting the arrangements the Council had in place at that time.

Audit Wales stated that the report was positive overall, with a good understanding of digital provision. A range of data had been drawn from external sources again a positive approach. Audit Wales further claimed the Councils strategic approach to digital is well aligned with key plans and strategies, and strong arrangements in place to communicate the strategy.

The report contained one recommendation:

If the Council continues with the approach of not stating a timeframe to deliver its Digital, Data and Technology strategy, it should put in place arrangements to:

- clearly articulate its short-, medium- and long-term outcomes and intended benefits.
- cost its short-, medium- and long-term ambitions and match them with available resources; and
- assess if it is delivering the strategy and its intended outcomes at the intended pace.

Overall, Audit Wales concluded that the Council has an integrated and well-articulated digital strategy but note that it did not have a clear period for delivering it, which makes it more difficult for the Council to assess progress and value for money. Again, Audit Wales highlighted that the report was positive and thanked Officers for their time and contribution.

Officers responded and informed the committee that the Digital Data and Technology (DDaT) Strategy had intentionally not been time bound due to the rapid pace of change in this space. The Council needs to remain agile in its approach to DDaT across its medium- and long-term plans. Members were informed the strategy would be reviewed and updated on a year-by-year basis, ensuring its alignment with the latest opportunities and organisational needs.

Officers went on to provide an update to the committee in terms of what has been done since the review. Members were told a digital transformation board had been established as well as a pipeline which is a multi-year plan around the activities being delivered across the service. Members were invited to a Members Seminar session being held on the 15th of March 2024, which will focus on the process underpinning the Digital Transformation Board and the priorities that have been established for DDaT.

Members were further notified of the monitoring arrangements in place being undertaken, inclusive of financial efficiencies, efficiencies in ways of working and improved customer service etc. Other programs of work are used to inform the priorities including the

medium-term financial plan, forward budget plans and the annual business monitoring arrangements across all service areas.

A question was received from Members on how the IT department could be used more effectively instead of Democratic Services Officers. A suggestion was made that this comment should be made within the Members Seminar so that all Councillors were aware of the IT Service and that issues should be dealt with directly by the IT department.

Officers responded by stating that the comment would be raised within the Seminar. Members were also informed that further training sessions were being created to assist members with any queries or technical difficulties they faced.

Members raised a point to information being shared with all Committee Members including lay members which is easily accessible to all. Officers responded by stating that would not be an issue going forward. Lay Members are to also be invited to the Members Seminar scheduled for March 14th. If unable to attend the information must be made available following the seminar.

A question was put forward regarding Artificial Intelligence (AI) and officers responded by informing members that AI was included within the strategic delivery themes in the strategy. New AI Guidance, the policy and all relating information could be found on the NPT Web page under Digital Strategy.

Members concluded by giving they are thanks to Officers for their hard work shown in the review and with rapidly changing areas seen within digital services.

Resolved:

- That the organisational response form contained in appendix three of the circulated report be noted.
- That the single recommendation from the Thematic Review of the NPT Digital Data and Technology Strategy (appendix 2) be noted.

6. **AUDIT WALES WORK PROGRAMME AND TIMETABLE - Q2 UPDATES**

Members were informed they would shortly be receiving the quarter three update. Audit Wales went on to provide a brief overview of

quarter two. The financial audit work is complete except for the certification of grant returns which is still in progress.

The springing forward reports on assets and workforce have now been published along with the performance service user report of which the final report is with the Council.

Resolved:

That the report and quarterly update to the following areas be noted for monitoring,

- Annual Audit Summary
- Financial Audit Work
- Performance Audit Work
- Local Government National Studies (planned/in progress)

That the quarterly update which is inclusive of progress to planned work for Estyn and Care Inspectorate Wales (CIW) be noted.

7. **TREASURY MANAGEMENT MONITORING**

Members were informed by the Chief Finance Officer that the report is the standard quarterly treasury management monitoring report which is presented to the committee following approval by the Cabinet.

Members went on to thank the Chief Finance Officer and his team on the continuing work in ensuring the funds and borrowing are kept within standards.

Resolved:

That the contents of the treasury management action and information for 2023/24 be noted.

8. **ANNUAL GOVERNANCE STATEMENT - SIX MONTHLY UPDATE**

Officers went on to provide an overview to the six-monthly update. Members were informed, the report identifies areas for improvement for 2023 2024. It also shows progress made for the first six months of 2023. Members were further informed the report was presented to Cabinet on the 20th of November and following that no comments were raised.

An acronym was noted on page 144 as MTFP of which the Committee were told was the abbreviation for Medium Term Financial Plan.

The Chair went on to raise a question around information assets and asked officers to explain exactly what information assets were. Officers explained information assets was information the Council held such as records or backing information. Officers further explained databases had fields which store information, and each of those fields are known as information assets. Effectively it is the data that is held throughout the organisation.

Members stated the report gave a good insight of what is being done in this area. However, Members also noted that it was a struggle to understand the target date of the improvement plan. Members queried what the target date was and if the council was at risk of straying from the date.

Officers thanked Members for their comments and stated they would be noted.

Members then went on to query signposting the priorities against the actions and what the key areas of focus are right now. A general observation was noted to training surrounding risk and the understanding members should have.

Members were reminded of the impending training events. Areas to be covered include the principles of risk management and links to corporate governance. Provide an overview of the risk management process, risk report into governance and the audit committee. The role of governance and the audit committee in risk management and share examples of failures in terms of risk management from other local authorities across the UK. Officers went on to state that following the risk management training, they would look to see if there were other areas the committee felt needed to be covered.

Resolved:

That the half year progress made on the Corporate Governance Improvement Action Plan for 2023-2024 for the period 1st April to 30th September 2023, appendix 1 of the circulated report be noted for information.

9. REGULATORS REPORT REGISTER

The committee were briefed on the standing agenda item and given an overview to two reports undertaken by Audit Wales. The first being progress for the first six months of 23/24 and the second report which provided an update on the equalities work during 22/23.

In addition, there are four local reports contained, two of which have been presented to members in the circulated agenda pack, which being the scrutiny review and the digital review.

Two further reports to update the Committee were the Asset Management and the Strategic Workforce Plan. Both of which will be presented to the Committee at future meetings once submitted to Cabinet Board

The Chair went on to inform the committee that any points raised within Cabinet Board, officers would inform the Governance and Audit Committee of any updates.

Members were keen to ask what was being done in response to the recommendations, as there seemed to be no visibility. Members noted they were keen to know what actions were being taken in response to the recommendations, who is delivering them and when are they being delivered. If there was a slippage who was approving the slippage. Officers responded by stating an organisational response form is undertaken to formally respond to any recommendations made.

Members were also keen to note the format of the appendices and the difficulties in reviewing the information due to the large quantity of information and the format and sizing of that information. Officers took note of the comments.

A number of acronyms were still being used which officers also took on board.

The Committee commended a good response and overall report.

Resolved:

- That the Governance and Audit Committee note the reports issued by the Councils external bodies since October 2023.

- That the Governance and Audit Committee note the updated Register of Regulators Reports and Recommendations, as contained within appendix 1 of the circulated report pack.

10. **INTERNAL AUDIT QUARTERLY UPDATE REPORT**

Members were given an overview of the standard internal quarterly update report. Members were informed that there would need to be amendments to the internal audit plan due to the number of Audit days lost due to sickness and vacancies.

There had been seventeen formal reports issued, details of which can be found in appendix 1, pages 167 to 173 of the circulated agenda pack. Members attention was drawn to number 31 and 41 of the report, and informed both had limited assurances. Chief Officers had responded to the reports and were present in the meeting for any of the Committees questions.

Officers went on to inform the committee of staff shortages experienced within the department due to long term sickness and a vacancy.

Members queried why the completion of mandatory training figure low and what monitoring arrangements were in place. Why was this not being flagged? Officers responded by stating that assurance could be given to monthly checks on staff and e learning modules and their completion. Officers stressed that although schedules were busy, staff must find the time to complete the online courses.

Officers explained that the new HR system is the link to all mandatory training. The system immediately updates once an employee has successfully undertaken any e learning and will automatically notify Managers and Staff when refresher training should be undertaken.

Members went on to raise questions surrounding Neath Register office and the four recommendations implemented. The recommendation in query was number 5 and the new till system, members asked what the hold-up was. Officers responded to say the till system that is in place now does not interface with the authority's cash receipting system which in turn feeds into the authority's ledger. Intervention is done on a manual basis to code the fees and charges of the ledger. Members were assured that the recommendation has been accepted and is currently being worked on.

A query was tabled to the prioritisation of higher risk areas and assurance surrounding those. Officers thanked members for the observation and went on to state that there was a need to ensure staff were competent under public sector audit standards to conduct the work relating to the higher risk areas alongside the lower risk areas. Recruitment to existing posts will help manage the issues going forward. Recommendations and any amendments can be seen in the circulated report.

Members raised a query to page 162 of the agenda pack and Amazon procurement card purchases. What were the wider issues? Officers responded by informing the committee that purchases had been made on Amazon via third party sellers and that there were issues relating to quality and potential VAT issues. Members were also told the process will be moving to the corporate Amazon account and that existing Amazon accounts would be closed.

The Chair went on to raise a question of homelessness and the definition to the use of youth. Does this include up to the age of twenty-five? Officers stated that within the Social Services Legislation the authority has a duty of care to young people, in some instances up to the age of twenty-five. It was unclear what the homelessness legislation defines the age of a youth to be.

Officers stated they were in contact with senior management teams to discuss what risks they were facing and this would feed into the next budget year and plan.

Visual representations were noted.

Resolved:

- That the report be noted for information, with the appendices and approve the proposed revisions to the 2023-2024 internal audit plan.
- To approve the proposed revisions to the 2023-2024 internal audit plan.

11. FORWARD WORK PROGRAMME

Resolved:

That the forward work programme 2023 2024 be 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. **URGENT ITEMS**

Resolved:
There were none.

14. **SPECIAL INVESTIGATIONS UPDATE REPORT**

Resolved:
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