

# GOVERNANCE & AUDIT COMMITTEE

**FRIDAY, 14 JULY 2023**

**PRESENT:** Mr D. MacGregor – Lay Member (Chair) (In Person)

**Councillors (In Person):**

K. Davies L. Davies

**Councillors (Virtually):**

K.V. Broom A. Evans P.T. Warlow D.E. Williams  
J. Williams

**Lay Members (In Person):**

J. James K. Jones M. MacDonald

**Also in attendance (In Person):**

Councillor A. Lenny, Cabinet Member for Resources

**Also in attendance (Virtually):**

J. Blewitt, Audit Wales Representative  
A. Lewis, Audit Wales Representative  
D. Owen, Audit Wales Representative

**Also Present (In Person):**

R. Hemingway, Head of Financial Services  
H. Pugh, Head of Revenues and Financial Compliance  
C. Moore, Director of Corporate Services  
L.R. Jones, Head of Administration and Law  
G. Morgan, Head of Democratic Services  
G. Ayers, Corporate Policy and Partnership Manager  
C. Powell, Principal Auditor  
C. Llwyd, Translator  
R. Morris, Members Support Officer  
S. Hendy, Member Support Officer  
E. Bryer, Democratic Services Officer

**Also Present (Virtually):**

R. Griffiths, Head of Place and Sustainability  
M. Runeckles, Members Support Officer

**Chamber - County Hall, Carmarthen. SA31 1JP and remotely - 10.00 am - 12.35 pm**

**1. APOLOGIES FOR ABSENCE.**

An apology for absence was received from Councillor. A.G Morgan.

Note: These minutes are subject to confirmation at the next meeting.

## 2. DECLARATIONS OF PERSONAL INTERESTS.

<b>Member</b>	<b>Agenda item</b>	<b>Nature of Interest</b>
Mr M. MacDonald	5.4 - Dyfed Pension Fund Detailed Audit Plan 2023.  8. Pre-Audit Dyfed Pension Fund Statement of Accounts 2022-23.	Member of the Dyfed Pension Fund
Mrs. J. James	7. Statement of Accounts 2022/23.	A trustee of the National Botanic Garden of Wales
Cllr. K. Davies	5.4 - Dyfed Pension Fund Detailed Audit Plan 2023.  8. Pre-Audit Dyfed Pension Fund Statement of Accounts 2022-23.	Member of the Dyfed Pension Fund
Cllr. P. Warlow	5.4 - Dyfed Pension Fund Detailed Audit Plan 2023.  8. Pre-Audit Dyfed Pension Fund Statement of Accounts 2022-23.	Member of the Dyfed Pension Fund
Cllr. A. Evans	5.4 - Dyfed Pension Fund Detailed Audit Plan 2023.  5.6 – Audit Wales Follow-up Review: Overview and Scrutiny – Fit for the Future?  8. Pre-Audit Dyfed Pension Fund Statement of Accounts 2022-23.	Mother works in the Chief Executives Department - Democratic Services Unit.
Cllr. D. E. Williams	5.4 - Dyfed Pension Fund Detailed Audit Plan 2023.  8. Pre-Audit Dyfed Pension Fund Statement of Accounts 2022-23.	Member of the Dyfed Pension Fund and Chair of the Dyfed Pension Fund Committee
Cllr J. Williams	5.4 - Dyfed Pension Fund Detailed Audit Plan 2023.  8. Pre-Audit Dyfed Pension Fund Statement of Accounts 2022-23.	Member of the Dyfed Pension Fund

Note: These minutes are subject to confirmation at the next meeting.

Cllr K.V. Broom	5.4 - Dyfed Pension Fund Detailed Audit Plan 2023.  8. Pre-Audit Dyfed Pension Fund Statement of Accounts 2022-23.	Member of the Dyfed Pension Fund
Mrs Karen Jones	5.4 - Dyfed Pension Fund Detailed Audit Plan 2023.  8. Pre-Audit Dyfed Pension Fund Statement of Accounts 2022-23.	Member of the Dyfed Pension Fund
Cllr L. Davies	5.4 - Dyfed Pension Fund Detailed Audit Plan 2023.  8. Pre-Audit Dyfed Pension Fund Statement of Accounts 2022-23.	Member of the Dyfed Pension Fund

**3. TO APPOINT A CHAIR FOR THE 2023/24 MUNICIPAL YEAR**

**UNANIMOUSLY RESOLVED** that Mr D. MacGregor be appointed Chair of the Committee for the 2023/24 municipal year.

**4. TO APPOINT A VICE CHAIR FOR THE 2023/24 MUNICIPAL YEAR**

**UNANIMOUSLY RESOLVED** that Councillor G. Morgan be appointed Vice-Chair of the Committee for the 2023/24 municipal year.

**5. TO CONSIDER THE FOLLOWING DOCUMENTS PREPARED BY AUDIT WALES:**

The Chair welcomed Audit Wales representatives Mr Jason Blewitt, Ms Alison Lewis and Mr Derwyn Owen to the meeting.

**5.1. ASSURANCE AND RISK ASSESSMENT PROGRESS UPDATE - FINANCIAL POSITION**

The Committee considered a report presented by Ms Alison Lewis, Audit Wales Representative on the assessment undertaken of the Council's 2021-22 financial position between September and November 2022. The evidence was gathered through interviews and document reviews and included consideration of the Council's financial reserves position, the delivery of planned savings and performance against the planned budget for the year.

Note: These minutes are subject to confirmation at the next meeting.

It was noted that whilst the focus of the work was on the 2021-22 financial year, where appropriate, consideration had also been given to later financial information where this helped to contextualise the position.

It was stated that the Council had previously shown good financial sustainability and had planned to continue making efficiency savings to meet the identified future funding gap. While delivering planned future savings in an increasingly challenging financial climate represents a substantial ongoing risk to the Council it was noted that this was a national risk and not specific to Carmarthenshire County Council.

**UNANIMOUSLY RESOLVED that the Audit Wales Assurance and Risk Assessment Progress Update – Financial position be noted.**

## **5.2. ASSURANCE AND RISK ASSESSMENT PROGRESS UPDATE - CARBON REDUCTION**

The Committee considered a report presented by Ms Alison Lewis, Audit Wales Representative on the assessment undertaken between May and August 2022 of the Council's arrangements to develop and deliver its Decarbonisation Plan. Evidence was gathered through interviews, document reviews and the Council's returned Call for Evidence for the Audit Wales Decarbonisation Baseline Review.

During consideration of the update, it was highlighted that the Council demonstrated a commitment to carbon reduction and had a published action plan, however this plan was not costed and did not identify the funding required to deliver the activity within the plan. In order to meet its net zero ambition, the Council would need to fully cost its action plan and ensure alignment with its financial plans.

In response to the concern raised the Head of Place & Sustainability advised the Committee that currently there wasn't an all-Wales model for costing the plan but that the council had developed a model in conjunction regional partners including Swansea City Council. In addition, several packages of work were underway and that a wider carbon reduction plan was in development and due for completion in April 2025.

It was stated that an all-Wales methodology was being developed in conjunction with partner organisations but this was still in its infancy.

The issues/observations raised by the Committee were addressed as follows:-

- It was clarified that the costs were based on Carmarthenshire Council's costs and that it was only the model and methodology that was developed in conjunction with Swansea City Council.
- It was re-iterated that the actions were aligned with the financial plan and would be reflected in all reports being considered by Cabinet .

Note: These minutes are subject to confirmation at the next meeting.

**UNANIMOUSLY RESOLVED that:**

- 5.2.2 the Audit Wales Assurance and Risk Assessment Progress Update – Financial position be noted.**
- 5.2.3 Carmarthenshire County Council’s response to the recommendations of the report be noted.**

**5.3. 2023 AUDIT PLAN - CARMARTHENSHIRE COUNTY COUNCIL**

The Committee considered the 2023 Audit Plan for Carmarthenshire County Council presented by Mr Derwyn Owen, Audit Wales Representative. It was noted that the Auditor General, as the auditor for the Carmarthenshire County Council, must discharge his statutory duties and obligations under the Public Audit (Wales) Act 2004 and the plan detailed the work to be carried out in order to discharge those responsibilities.

The plan set out the work intended to be undertaken to address the audit risks identified and other key areas of focus during 2023. It also set out the estimated audit fee, detailed the audit team and key delivery dates and planned outputs.

During consideration of the audit plan reference was made to the risks and the key delivery dates with the final report due to be finalised in November 2023.

In response to an observation regarding the use of technology, it was clarified to Members that the audit teams may make use of automated tools such as data analytics when performing their audit. Information may be requested in different format from previous audits but that there was on-going dialogue to ensure the most efficient and effective use of technology.

**UNANIMOUSLY RESOLVED that the 2023 Audit Plan for the Authority be received and noted.**

**5.4. DYFED PENSION FUND DETAILED AUDIT PLAN 2023**

[Note: Councillors K. Broom, K. Davies, D.E. Williams, L. Davies, J. Williams, A. Evans, Mrs K. Jones and Mr M. MacDonald declared an interest in this item but remained in the meeting during its consideration.]

The Committee considered the 2023 Audit Plan for the Dyfed Pension Fund that was presented by Mr Jason Blewitt, Audit Wales Representative. It was noted that the Auditor General, as the auditor for the Dyfed Pension Fund, must discharge his statutory duties and obligations under the Public Audit (Wales) Act 2004 and the plan detailed the work to be carried out in order to discharge those responsibilities. Accordingly, consideration was given to the audit team, fees and timetable.

**UNANIMOUSLY RESOLVED that the 2023 Audit Plan for the Dyfed Pension Fund be noted.**

Note: These minutes are subject to confirmation at the next meeting.

## 5.5. TIME FOR CHANGE - POVERTY IN WALES

The Committee considered a national report presented by the Audit Wales Representatives that looked at the challenge of poverty in Wales and how national and local government was responding. It was explained that the study and report was completed by the national studies team and was not specific to Carmarthenshire. The overall findings of the report highlighted that the scale of the challenges and weaknesses in the current work made it difficult for Welsh and Local Government to deliver the systematic change required to tackle and alleviate poverty.

The report included 8 recommendations focusing on the following key areas:

- National strategy and targets for tackling and alleviating poverty
- Local strategies, targets and performance reporting for tackling and alleviating poverty
- Leadership on the poverty agenda
- Improve the efficiency and effectiveness of grant-funded programmes
- Experience mapping to create inclusive services for people in poverty
- Single web landing page for people seeking help
- Streamlining and improving application and information services for people in poverty
- Complying with the socio-economic duty.

During consideration of the report the Corporate Policy, Performance & Partnership Manager provided an update on the Council's response to the recommendations. The Committee was advised that Councillor Linda Davies Evans was the Cabinet lead member responsible for tackling poverty, along side a Tackling Poverty Advisory Panel which consisted of cross party elected members that acted as a sounding board for the Cabinet in terms of advice and support. It was noted that during the last 12 months a working group had been established at a Head of Service level across the different service areas. Assurance was given that poverty was fully embedded in the Council's Corporate Strategy and within the Public Services Boards wellbeing plans.

The issues/observations raised by the Committee were addressed as follows:-

- It was clarified to Members that Audit Wales did not approve the action plan but that the Governance and Audit Committee would maintain assurance through the reporting and tracking of actions in response to the recommendations through the PIMS system.
- Regarding the approval of the Council's response to the antipoverty report it was confirmed that the Lead Director (in this case the Chief Executive) and the Cabinet had sight of the responses and recommendations to monitor progress against actions via the PIMS reporting system. The Committee requested that a further update report be provided at the end of the year.
- It was clarified that the April and May actions had been completed or that the initial work had been undertaken. It was noted that the Head of Regeneration, Policy & Digital was now the lead service director for this work.

Note: These minutes are subject to confirmation at the next meeting.

**UNANIMOUSLY RESOLVED that:**

- 5.5.1** the Audit Wales national report findings be noted.
- 5.5.2** Carmarthenshire County Council's response to the recommendations of the national report relevant to the Council be noted.
- 5.5.3** a progress report on the actions agreed by the Council be considered by the Committee at the end of the year.

**5.6. FOLLOW-UP REVIEW: OVERVIEW AND SCRUTINY - FIT FOR THE FUTURE?**

[Note: Councillor A. Evans had earlier declared an interest in this item and remained in the meeting during its consideration]

The Committee considered a report presented by Mrs Alison Lewis, Audit Wales Representative on the follow-up review: overview and scrutiny – fit for the future?

In June 2018 Audit Wales published a report 'Overview and Scrutiny Fit for the Future – Carmarthenshire County Council', which included six proposals for improvement for the Council to address. Audit Wales followed up the Council's progress with implementing these proposals for improvement during October – November 2021 as part of their ongoing Assurance and Risk Assessment work. It was thought that the Council had made some progress in addressing the previous proposals for improvement, but that further work was required to strengthen arrangements to assess the effectiveness and impact of the scrutiny function.

During consideration of the update the Head of Administration and Law advised that the report had been considered by the Cabinet and the Chairs and Vice Chairs of Scrutiny Forum in September 2022. It was stated three members of the Scrutiny Forum were also members of the Governance and Audit Committee. Audit Wales had also met with officers and Cabinet on the 13<sup>th</sup> September to discuss the report and separately with the Chairs and Vice Chairs of Scrutiny Forum on the 29<sup>th</sup> September 2022.

It was noted that on the 28<sup>th</sup> September 2022, Council resolved to amend the remit of the five scrutiny committees to align with the new Cabinet portfolios. Additionally, a pre-decision scrutiny approach had been implemented so that pre-cabinet would no longer be systematically referring reports to Scrutiny resulting in a more focused agenda.

With regards to assessing the effectiveness and impact of overview and scrutiny a survey had been conducted but only 14 out of 74 members had responded. Due to the lack of response the questionnaire was being revised and re-issued and was due for approval in September prior to it being re-distributed to members.

Note: These minutes are subject to confirmation at the next meeting.

The issues/observations raised by the Committee were addressed as follows:-

- It was clarified to Members that the Scrutiny Annual Report template had been updated but that the Chairs and Vice Chairs of Scrutiny Forum had requested further work and that the revised draft template would be considered by them in September.
- It was explained that the first step in assessing the effectiveness and impact of overview of scrutiny would be the updated questionnaire. The results will have to be assessed to establish if the process needs refinement. It was highlighted that what was of interest to scrutiny members was how many of their proposals and recommendations had been adopted by Cabinet.

**UNANIMOUSLY RESOLVED that:**

**5.6.1 the Audit Wales report findings and recommendations be noted.**

**5.6.2 Carmarthenshire County Council's response to the recommendations of the report be noted.**

## **6. ANNUAL GOVERNANCE STATEMENT 2022/23**

The Committee reviewed the Council's Draft Annual Governance Statement (AGS) for the year ended 31 March 2023 which would accompany the Statement of Accounts to demonstrate the Authority's compliance with the CIPFA and SOLACE framework and its seven core principles of good governance.

The Chair noted that this item had also been previously considered by the Committee at a briefing session earlier in the week. The Head of Revenues and Financial Compliance advised that amendments identified at the briefing sessions such as the need to reflect that risk training had been addressed and the fact that the corporate risk register been identified as needing to be reviewed and improved would be reflected in the statement.

It was confirmed that the notes from the briefing would be circulated to members validating the changes that were agreed to be incorporated into the final Annual Governance Statement.

The Local Government and Elections (Wales) Act 2021 Act now placed a requirement upon Standards Committees to report on how well group leaders had complied with their duties in promoting compliance with the code of conduct by their group members. It was asked that this be included in the statement.

**UNANIMOUSLY RESOLVED that subject to the inclusion of the foregoing, the Annual Governance Statement be endorsed.**

Note: These minutes are subject to confirmation at the next meeting.



## 7. STATEMENT OF ACCOUNTS 2022/23

[Note: Mrs. J. James had earlier declared an interest in this item and remained in the meeting during its consideration]

The Committee considered the draft Statement of Accounts 2022/23 for Carmarthenshire County Council, which had been prepared in accordance with the Accounts and Audit (Wales) Regulations 2014 (as amended 2018).

This was a substantial document and had been considered at a briefing earlier in the week. In addition to the briefing earlier in the week, the Committee was provided with an overview of the salient points contained within the Statement of Accounts which summarised the financial position of the Authority for the year ended 31 March 2023.

The Director of Corporate Services detailed the movements which had been made to and from earmarked reserves in respect of transfers pertaining to the Major Development Fund, Modernising Education Programme (MEP) Capital Funding and the City Deal/ Pentre Awel Reserve. Accordingly, the Committee was requested to retrospectively approve those movements and the creation of the Deprivation of Liberty Safeguards (DoLS) Grant and Kidwelly Town Hall reserves.

Reference was made to the role of the Cabinet Member for Rural Affairs and Planning Policy as a trustee of the National Botanic Garden of Wales. The Director of Corporate Services explained that the Cabinet position as a trustee was historically a condition of a loan, but added that as the loan had been repaid, this may not be required, and that clarification would be sought.

### **UNANIMOUSLY RESOLVED that:**

- 7.1 The Statement of Accounts 2022/23 be received.**
- 7.2 Retrospective approval be given for the movements to and from the Earmarked Reserves. In particular, the transfers to:**
- Major Development Fund
  - MEP Capital Funding
  - City Deal/Pentre Awel
- 7.3 Retrospective approval be given for the creation of the following reserves:**
- Deprivation of Liberty Safeguards (DoLS) Grant
  - Kidwelly Town Hall

## 8. PRE-AUDIT DYFED PENSION FUND STATEMENT OF ACCOUNTS 2022-23

[Note: Councillors K. Broom, K. Davies, D.E. Williams, L. Davies and J. Williams, A. Evans, Mrs K. Jones and Mr M. MacDonald declared an interest in this item.]

The Committee received for consideration the Pre-Audit Dyfed Pension Fund Statement of Accounts 2022-23. The report considered whether the financial

Note: These minutes are subject to confirmation at the next meeting.

statement gave a true and fair view of the financial position of the Dyfed Pension Fund as at 31st March, 2023 and its income and expenditure during that year.

It was noted that the Net Assets of the Fund had decreased by £100.1m from 2021-22 to 2022-23 and that this was mainly due to the decrease in market value of the investment assets. In relation to expenditure, Benefits Payable and Transfers Out increased by £8m to £103.95m. Income, Contributions and Transfers In had increased by £7.7m to £100.9m. Total membership of the Fund increased by 1,820 from 52,735 in 2021-22 to 54,555 in 2022-23 which was an increase of 3.45%.

In response to a concern regarding the significant increase in management expenses detailed in section 8 of the report, it was clarified to Members that the overwhelming amount was due to the Mercer fees (being the consulting actuary) and the costs of the triennial valuation which had impacted the 2022/23 accounts.

**UNANIMOUSLY RESOLVED that the Pre-Audit Dyfed Pension Fund Statement of Accounts 2022-23 be received.**

## **9. BURRY PORT HARBOUR FINANCIAL STATEMENT 2022-23**

In accordance with the Accounts and Audit (Wales) Regulations 2014, and the delegated powers enshrined within the Local Government Measure, the Committee considered the 2022-23 accounting statement of the Harbour Authority.

Carmarthenshire County Council has a range of statutory powers and duties for the purposes of improving, maintaining, and managing the Burry Port harbour through the Burry Port Harbour Revision Order 2000.

The report referred to the Harbours Act 1964 which stipulated the requirement for Harbour Authorities to prepare an annual statement of accounts relating to harbour activities. In compliance with the Accounts and Audit (Wales) Regulations 2014, the accounts were presented in the form of a separate annual income and expenditure account and statement of balances.

The Committee was informed that the Authority had granted a long-term lease to the Marine & Property Group Ltd in April 2018, who had taken over the running and management of Burry Port Harbour; consequently, the activity on the statement was significantly reduced.

It was reported that the net cost of the harbour activities in 2022-23 amounted to £9k, and all activities were fully funded by Carmarthenshire County Council. The fixed assets held at 31st March 2023 totalled £867k. The report stipulated that the decrease in costs year on year of £678k was due to a reduction in capital works expenditure of £697k, together with a £19k decrease in income.

The Head of Financial Services advised members that the Marine & Property Group Ltd had gone into administration and that rental income would likely be at risk and that the income accrued may not come to fruition.

Note: These minutes are subject to confirmation at the next meeting.

**UNANIMOUSLY RESOLVED that the audited Accounting Statement for Burry Port Harbour Authority for 2022-23 be approved.**

**10. INTERNAL AUDIT PLAN UPDATE 2022/23 AND 2023/24**

The Committee considered a report which provided an update on the progress made on the implementation of the Internal Audit Plans for 2022/23 and 2023/24. It was reported that a completion rate of 96% had been achieved for 2022/23. The Committee duly reviewed the progress made in respect of the delivery of the audit programme.

In response to a request for an update on the vacancies within the Internal Audit team the Head of Revenues and Financial Compliance confirmed that the team was now fully resourced.

**UNANIMOUSLY RESOLVED that The Internal Audit Plan update 2022/23 and 2023/24 be noted.**

**11. INTERNAL AUDIT ANNUAL REPORT 2022/23**

The Committee considered the Internal Audit Annual Report for 2022/23 which provided an opinion by the Chief Audit Executive (Head of Revenues and Financial Compliance) on the adequacy and effectiveness of the Authority's control environment, based upon the delivery of the 2022/23 Internal Audit Plan approved by the Governance and Audit Committee. Accordingly, the report encapsulated the annual position of the audit work undertaken within the Authority during the reporting period in accordance with the provisions of the Public Sector Internal Audit Standards (PSIAS) and included comparable data.

The Committee noted that it was the overall opinion of the Head of Revenues and Financial Compliance that the Authority had an acceptable control environment in operation.

The report concluded that clear governance arrangements were in place, which comprised defined management responsibilities and committee structures, with a generally sound control framework which operated reasonably consistently. Reference was also made to the Authority's established Constitution, with developed policies and approved Financial Procedure Rules which provided advice and guidance to all staff and members. Consequently, the Head of Revenues and Financial Compliance was satisfied that sufficient assurance work had been carried out to allow her to form a reasonable conclusion on the adequacy and effectiveness of the Authority's internal control environment. Where weaknesses had been identified through internal audit review, appropriate corrective actions and a timescale for improvement had been agreed.

The Head of Revenues and Financial Compliance stated that she is responsible for ensuring the effective delivery of the Internal Audit function in accordance with the principles agreed with the Authority's Chief Financial Officer (Section 151 Officer) and in accordance with the Internal Audit Charter. Internal Audit reviews

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undertaken on functions headed by the Head of Revenues and Financial Compliance, could result in a potential conflict of interest arising from reporting lines. To mitigate this potential conflict of interest, reviews would be managed by the Principal Auditor, with the Head of Financial Services, who is outside of the Internal Audit activity, having oversight of these reviews.

**UNANIMOUSLY RESOLVED that, in line with statutory requirements, the Internal Audit Annual Report for 2022/23 be received.**

## **12. EXTERNAL QUALITY ASSESSMENT (EQA) OF THE INTERNAL AUDIT ACTIVITY**

The Committee received the External Quality Assessment (EQA) of the Internal Audit activity report for consideration. The Public Sector Internal Audit Standards (PSIAS) required an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation.

The Head of Revenues and Financial Compliance advised that there were two possible approaches to external assessments outlined in the standard; these included either a full external assessment or an internal self-assessment, which is validated by an external reviewer. Members of the Welsh Chief Internal Auditor Group (WCIAG) elected to adopt the self-assessment approach, with Wrexham Council who was a member of the WCIAG undertaking the validation.

The assessment concluded that the Internal Audit service of Carmarthenshire Council conformed with the Standards in all significant areas and operated independently and objectively.

The results of the validation found that the Internal Audit Service of Carmarthenshire County Council was conforming to 300 out of the 304 of the best practice lines within the PSIAS requirements, with partial conformance in three areas and non-conformance in one area.

An Action Plan had been agreed to respond to the areas of partial and non-compliance and was detailed within the report. Members were assured that all non-conforming areas had been addressed.

**UNANIMOUSLY RESOLVED that the External Quality Assessment (EQA) of the Internal Audit activity be endorsed.**

## **13. INTERNAL AUDIT CHARTER**

The Committee received an updated Council Internal Audit Charter for consideration; this encompassed the amendments required following the EQA. The Internal Audit Charter (2021-23) was endorsed by the Governance & Audit Committee on 24th September 2021; the Charter was to be reviewed every two years.

Note: These minutes are subject to confirmation at the next meeting.

The purpose of the Charter was to define what Internal Audit is and explain its purpose, authority and responsibility.

The Committee noted that the Charter had been written in accordance with the PSIAS and that the Internal Audit Charter would be reviewed every two years.

It was noted that item 14 - Review within the report would be aligned with the cover sheet and specify that the Charter would be reviewed every two years.

**UNANIMOUSLY RESOLVED that the updated Carmarthenshire County Council Internal Audit Charter be endorsed.**

**14. CARMARTHENSHIRE COUNTY COUNCIL'S DRAFT ANNUAL REPORT FOR 2022/23**

The Committee considered the draft Council Annual Report for the period 2022/23 which had been produced to meet the relevant provisions within the Well-being of Future Generations (Wales) Act 2015 and the Local Government and Elections Act (Wales) 2021.

It was noted that this was the first draft and there were sections where information was outstanding or awaited but these would be updated as they become available. The Annual Report was scheduled to be presented to Full Council at its meeting in October 2023.

The Committee was advised that the structure of the Annual Report was based on the new Council Well-being Objectives (4) as agreed in the Council's Corporate Strategy for 2022-27. As business plans for the 2022-23 period were based on the former 13 well-being objectives progress reports have been aligned on a 'best fit' model. Therefore, this was considered as a transition report as the Council moved to fully implementing the new Well-being Objectives for the 2023-24 period.

The Corporate Policy, Performance and Partnership Manager advised that the public consultation element of the work would close next week and the findings would be incorporated into further editions of the report. It was noted that due to the size of the report it could be difficult to find the relevant information, so discussions were on-going with Marketing and Media on the best way to present and communicate the information.

The Chair advised that members had already received a briefing on the document earlier in the week and had been afforded the opportunity to offer feedback on the draft report.

**UNANIMOUSLY RESOLVED that the draft Council Annual Report for the period 2022/23 be received.**

Note: These minutes are subject to confirmation at the next meeting.

## **15. CARMARTHENSHIRE COUNTY COUNCIL'S RISK APPETITE STATEMENT**

The Committee considered the Council's Risk Appetite Statement. It was noted that the Council previously did not have a Risk Appetite Statement and that development of this was facilitated through Risk Appetite Workshops with both the Corporate Management Team and the Heads of Service in attendance.

It was noted that Risk Appetite provided a framework which enabled an organisation to make informed management decisions. The benefit of the statement included:

- Supporting informed decision making
- Reducing uncertainty
- Improving consistency across governance and decision making
- Supporting performance improvement
- Focus on priority areas
- Informing spending review and resource prioritisation.

In response to a question on how frequently the Risk Appetite Statement would be updated the Head of Revenues & Financial Compliance advised that it had been suggested that it be reviewed annually.

**RESOLVED that Carmarthenshire County Council's Risk Appetite Statement be endorsed.**

## **16. MINUTES OF RELEVANT GROUPS TO THE GOVERNANCE & AUDIT COMMITTEE:-**

### **16.1. RISK MANAGEMENT STEERING GROUP 11TH MAY, 2023**

**UNANIMOUSLY RESOLVED that the minutes of the Risk Management Steering Group held on the 11<sup>th</sup> May 2023 be received.**

### **16.2. GRANTS PANEL MEETING 3RD MARCH, 2023**

**UNANIMOUSLY RESOLVED that the minutes of the Grants Panel held on the 3rd March 2023 be received.**

### **16.3. AGS ACTIONS UPDATE 4TH APRIL, 2023**

**UNANIMOUSLY RESOLVED that the AGS Actions Update as at the 4<sup>th</sup> April, 2023 be received.**

Note: These minutes are subject to confirmation at the next meeting.

**17. GOVERNANCE & AUDIT COMMITTEE ACTION LOG**

The Committee considered the Governance and Audit Committee Action Log detailing the actions to be monitored/progressed following previous meetings.

In response to a query regarding the status column for GAC 2022/06 - Payroll Staff Certification Exercise, members were advised that the timescale were unknown at the present time but would be confirmed at the next update.

**UNANIMOUSLY RESOLVED that the Governance and Audit Committee Action Log be received.**

**18. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE GOVERNANCE AND AUDIT COMMITTEE HELD ON THE:-**

**18.1. 17TH MARCH, 2023**

**RESOLVED that the minutes of the meeting of the Governance and Audit Committee held on the 17<sup>th</sup> March 2023 be signed as a correct record.**

**18.2. 31ST MARCH, 2023**

**RESOLVED that the minutes of the meeting of the Governance and Audit Committee held on the 31<sup>st</sup> March 2023 be signed as a correct record.**

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**CHAIR**

\_\_\_\_\_  
**DATE**

Note: These minutes are subject to confirmation at the next meeting.