

# GOVERNANCE & AUDIT COMMITTEE

FRIDAY, 8 MARCH 2024

**PRESENT:** D. MacGregor (Chair)

**Councillors (In Person):**

A.G. Morgan

**Councillors (Virtually):**

K.V. Broom

K. Davies

A. Evans

P.T. Warlow

D.E. Williams

J. Williams

**Lay Members (In Person):**

J. James

K. Jones

M. MacDonald

**Also Present (In Person):**

C. Moore, Director of Corporate Services

J. Morgan, Director of Community Services

H. Pugh, Head of Revenues and Financial Compliance

P.R. Thomas, Assistant Chief Executive (People Management & Performance)

A. Bracey, Head of Adult Social Care

J. Morgan, Head of Housing and Public Protection

C. Powell, Principal Auditor

G. Ayers, Corporate Policy and Partnership Manager

S. Wride, Senior Risk Officer

G. Williams, Housing Services Manager

E. Evans, Principal Democratic Services Officer

J. Owens, Democratic Services Officer

**Cabinet Members Present (In Person):**

P. Hughes, Cabinet Member for Organisation and Workforce

J. Tremlett, Cabinet Member for Health and Social Services

**Also Present (Virtually):**

A. Lewis, Audit Wales Representative

G. Lewis, Audit Wales Representative

D. Hall-Jones, Member Support Officer

S. Rees, Simultaneous Translator

**Chamber - County Hall, Carmarthen. SA31 1JP and remotely - 10.00 - 11.43 am**

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

## **1. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

## **2. DECLARATIONS OF PERSONAL INTERESTS**

There were no declarations of personal interests.

## **3. TO CONSIDER THE FOLLOWING DOCUMENTS PREPARED BY AUDIT WALES:-**

### **3.1. AUDIT WALES WORK PROGRAMME UPDATE**

The Committee considered the Audit Wales Work Programme and Timetable quarterly report, as at 31 December 2023 which provided a synopsis of the regulatory programme of work for local government, together with an update on the inspectorate work, inclusive of the financial and performance audits relevant to Carmarthenshire County Council.

In response to a query, Ms A. Lewis, Audit Wales Representative confirmed that the Good Practice Exchange event for Audit Committees pertaining to “What Does Good Look Like?” was expected to be held in Spring 2024 and arrangements would be made for the confirmed date to be circulated to the Committee.

**UNANIMOUSLY RESOLVED that the Audit Wales Work Programme Update be noted.**

### **3.2. USE OF PERFORMANCE INFORMATION: SERVICE USER PERSPECTIVE AND OUTCOMES - CARMARTHESHIRE COUNTY COUNCIL**

The Committee considered a report produced by Audit Wales following a review of the Council’s use of performance information from a service user perspective, together with the outcome data provided to members and senior officers.

Mr Gareth Lewis, Audit Wales Representative, provided Committee with an outline of findings arising from the review, undertaken in June and July 2023, which concluded that the performance information provided by the Council to senior leaders to enable them to understand the service user perspective and the outcomes of the Council’s activities is limited.

The Committee considered the 3 recommendations noted in the report which had been identified by Audit Wales to strengthen the information given to senior leaders.

The organisational response thereto was appended to the report which set out the Council’s intended actions to address the issues raised. In this regard, it was emphasised that further progress was being made to ensure that an integrated

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and cohesive approach was implemented in terms of data analysis which would embed the service-user perspective into the corporate overview.

A comment was made in respect of the data and information available within the Council's Annual Report 2022/23 which was felt to incorporate much of the information sought by Audit Wales and demonstrated the progress made by the Council in this regard.

**UNANIMOUSLY RESOLVED that:**

- 3.2.1 the report be received and the Council's response to the recommendations be noted.**
- 3.2.2 an update report be submitted to the Committee in the summer of 2025, to review the progress made by the Council in addressing the recommendations of the Audit Wales review "Use of Performance Information: Service User Perspective and Outcomes".**

**3.3. AUDIT WALES FOLLOW-UP REVIEW OF CORPORATE ARRANGEMENTS FOR SAFEGUARDING - CARMARTHENSHIRE COUNTY COUNCIL**

The Committee considered a report presented by Alison Lewis, Audit Wales Representative on the follow-up review of the council-wide corporate arrangements for safeguarding.

Specifically, the review sought to identify whether Carmarthenshire County Council had addressed the 7 recommendations pertinent to Welsh Councils which had emanated from the Auditor General's Review undertaken in 2015 of Corporate Safeguarding Arrangements in Welsh Councils.

The Audit Wales representative provided Committee with an outline of findings arising from their subsequent review, undertaken between June and August 2023, which concluded that the Council had not addressed all the recommendations in the 2015 national report on corporate safeguarding, and identified weaknesses in its corporate safeguarding oversight and assurance arrangements that needed to be addressed to enable the Council to assure itself that risks are minimised.

The Committee considered the 5 new recommendations which had arisen from the follow-up review, as detailed in the report. The summary organisational response thereto was appended to the report which set out the Council's intended actions to address the issues raised. It was noted that a more detailed organisational response had been circulated to Committee members in advance of the meeting.

The following issues were raised on the report:

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The Director of Community Services, in response to a query, clarified that reference would be made to the Annual Report on Safeguarding within the Council's Annual Report, however both would be produced as stand-alone documents. The Director of Community Services drew attention to the positive assessments that Estyn and CSSIW had provided of the Council's arrangements for safeguarding Children and Adults at risk; it was important to recognise that the focus of the Audit Wales report was Corporate Safeguarding.

Following a request for clarification, the Director of Community Services provided an assurance that appropriate levels of safeguarding training would be delivered as required, with effective systems in place to monitor and report on compliance. It was clarified that whilst the safeguarding training was now mandatory for elected members and the wider staff group, there was no legal framework which the Council could mandate school governors (and other individuals undertaking voluntary roles) to undertake the training. Whilst it was expected that all school governors would comply with the Council's request to undertake appropriate safeguarding training, it was agreed that the Corporate Safeguarding Group further consider the issue with a view to ensuring a minimum of Level 1 training for all School Governors.

Concerns were raised by the Committee in respect of the effectiveness of the monitoring of required actions and the lessons to be learnt in this regard. The Director of Community Services duly clarified that whilst work had been undertaken to address the issues identified in the original national review, the Council had not maintained or re-established those arrangements in a timely manner following the coronavirus pandemic. An assurance was however provided that rapid progress had more recently been made by the Council. Prompt and positive action had been taken to implement robust governance and compliance mechanisms within the Council, with effective arrangements now in place to monitor the ongoing actions arising from external reviews.

In view of the Committee's previous determination to receive an Internal Audit update report on corporate safeguarding in the autumn of 2024, a request was made for an assessment of the progress made in respect of the actions deriving from the Audit Wales review to be incorporated within that report. The Director of Corporate Services agreed to feedback the Committee's request for consideration at the next meeting of the Corporate Safeguarding Group.

**UNANIMOUSLY RESOLVED that:**

- 3.3.1 the report be received and the Council's response to the recommendations be noted;**
- 3.3.2 the Corporate Safeguarding Group consider the Committee's request for an assessment of the progress made in respect of the actions deriving from the Audit Wales review to be incorporated within the next Internal Audit progress report on corporate safeguarding.**

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#### 4. INTERNAL AUDIT PLAN UPDATE 2023/24

The Committee considered a report which provided an update on the progress made on the implementation of the Internal Audit Plan for 2023/24.

The Committee reviewed the progress made in respect of the delivery of the audit programme which summarised the status of each review and showed a completion rate of 76% to date against a target rate of 80%. In view of the recent Estyn inspection the review of pupil referral units would be deferred to 2025/26. It was clarified to the Committee that the review of Leisure Centres had been determined as a low assurance rating based upon the volume of recommendations made due to the wide range of areas covered within the review; however the recommendations had been classified as minor issues, or concerned areas to strengthen existing procedures and would therefore not be brought back to the Committee as a matter of course.

Appendix B to the report provided summaries of completed financial reports on key financial systems relating to:

- Deputyships (Corporate Services)
- Treasury Management

Consideration was given to the respective action plans which had been implemented where appropriate, and which summarised the issues identified, together with the recommendations made. The Committee was assured that all recommendations were being addressed by the Council.

The Principal Auditor, in response to a comment, reported that consideration would be given to incorporating training provision within the scope of future Treasury Management reviews.

**UNANIMOUSLY RESOLVED that the 2023/24 Internal Audit Plan update report be received.**

#### 5. INTERNAL AUDIT RECOMMENDATIONS

The Committee considered a report which provided an update on the progress status of Internal Audit recommendations which related to the 2022/23 financial year.

The Head of Revenues and Financial Compliance advised the Committee that Internal Audit had issued a total of 113 recommendations during the reporting period, 92 of which had been completed, 3 had actions outstanding or were off target and the remaining 18 had not yet reached their target date.

The Committee reviewed the recommendations which remained outstanding, together with the Council's current position and agreed actions to address the issues raised. In this regard, an assurance was provided that the action pertaining to VAT would be completed within the next month.

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**UNANIMOUSLY RESOLVED that the Internal Audit Recommendations report be received.**

**6. INTERNAL AUDIT PLAN 2024/25 & PLANNED COVERAGE FOR 2024-27**

In accordance with the requirements of the Public Sector Internal Audit Standards, the Committee considered a report which detailed the Internal Audit Plan for 2024/25 and the planned coverage for 2024-27. It was reported to the Committee that the Audit Plan for 2024/25 had been compiled using risk assessment principles and took account of changes in services.

**UNANIMOUSLY RESOLVED that:**

**6.1 the Annual Internal Audit Plan for 2024/25 be approved;**

**6.2 the plan coverage for 2024-27 be confirmed.**

**7. CARMARTHENSHIRE COUNTY COUNCIL'S CORPORATE RISK REGISTER 2023/24**

The Committee received for consideration the Corporate Risk Register 2023/24 which was maintained to evaluate the Council's exposure to key strategic risks. A number of Members expressed the view that the quality and focus of the Corporate Risk register was improving.

The Head of Revenues & Financial Compliance advised a new risk pertaining to Corporate Safeguarding had been incorporated to the risk register in view of the outcomes of the aforementioned Audit Wales follow-up review considered at agenda item 3.3.

The Director of Corporate Services, in response to feedback provided the Committee about elements in the category relating to catastrophic impact, confirmed that the criteria within the corporate risk register impact grid would be reviewed by the Corporate Management Team (CMT).

**UNANIMOUSLY RESOLVED that**

**7.1 the Carmarthenshire County Council's Corporate Risk Register 2023/24 be noted.**

**7.2 the criteria within the corporate risk register impact grid be reviewed by the Corporate Management Team (CMT).**

**8. HOUSING RENT ARREARS**

The Committee considered a report which provided context and detail on the Council's Social Housing current tenant arrears position to 31 December 2023. The report highlighted the magnitude of the service in terms of rent collection,

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management of rent arrears and the provision of support mechanisms to maximise income, sustain tenancies and manage the overall debt.

The Committee's attention was drawn to the National context whereby the data available within the report showed that the Council compared favourably to other stock retaining authorities in Wales on the current arrears as a percentage of the overall debit i.e. rent envelope.

In considering the report the Committee was assured that there had been no significant impact on the Housing Revenue Account (HRA) year on year, as a result of rent arrears and the Council's ability to deliver against its revenue and capital commitments had not diminished.

The Committee commended the Head of Housing & Public Protection and his team for the quality of the report presented to the Committee and his department's sterling efforts in the management of the Council's Social Housing and the support provided to tenants in this regard.

**UNANIMOUSLY RESOLVED that the Housing Rent Arrears update report be noted.**

## **9. GOVERNANCE & AUDIT COMMITTEE ACTION LOG**

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

The Head of Revenues & Financial Compliance appraised members of the current position in respect of the measures in place to assess risk ratings applicable for premises within the Authority's responsibility for listed buildings or ancient monuments. In view that the matter was considered as part of the Departmental Risk Register, the Committee expressed that action reference GAC - 2023/10 could be closed.

**UNANIMOUSLY RESOLVED that the Governance and Audit Committee Action Log be received and action reference 'GAC - 2023/10' be closed.**

## **10. GOVERNANCE & AUDIT COMMITTEE FORWARD WORK PROGRAMME**

The Committee considered its Forward Work Programme for the period March 2024 – February 2025 which detailed the items to be presented to Committee at scheduled meetings during the forthcoming year. This included a self-assessment exercise, in order to equip Members with the necessary skills to effectively undertake their role on the Committee.

In response to a query the Head of Revenues & Financial Compliance noted that the outcome of the self-assessment undertaken last Summer which was scheduled to be considered by the Committee at its next meeting would inform the Committee's training requirements.

**UNANIMOUSLY RESOLVED that the Forward Work Programme be received.**

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

**11.1. MINUTES OF THE GRANT PANEL 02 OCTOBER 2023**

**UNANIMOUSLY RESOLVED** that the minutes of the Grants Panel held on the 2<sup>nd</sup>, October 2023 be received.

**12. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE GOVERNANCE AND AUDIT COMMITTEE HELD ON THE 15 DECEMBER 2023**

**UNANIMOUSLY RESOLVED** that the minutes of the meeting of the Governance and Audit Committee held on the 15<sup>th</sup>, December 2023 be signed as a correct record.

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CHAIR

\_\_\_\_\_  
DATE

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