

Governance and Audit Committee Annual Report



2022/23

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Date	Approved By	Version
22/11/2023	Governance and Audit Committee	Draft
06/12/2023	Flintshire County Council	Final

1 Foreword by Mr Allan Rainford, Chair of the Governance and Audit Committee

I am pleased to present the Annual Report of the Governance and Audit Committee which outlines the Committees' work and activities for the year ending 31st March 2023. Whilst I was not Chair of the Committee during 2022/23, I was the Vice Chair.

The Governance and Audit Committee is a key part in the Council's governance framework to provide independent oversight on the effectiveness of the Council's governance, risk, financial management, and internal control arrangements. This has continued throughout this financial year.

The Committee has continued to receive valued professional reports, support and advice from Accountancy, Treasury Management, Risk Management, Corporate Business and Communications, Internal Audit and External Audit (Audit Wales). Additionally, we have invited Chief Officers and Service Managers to attend Governance and Audit Committee to respond to concerns raised by members or through various reports, such as those presented by Internal and External Audit.

The Committee has been active this year in ensuring that recommendations from Internal Audit are followed up and have been questioning relevant Officers where progress in taking action has been slow. As the Council is in a very challenging financial and operational environment it is more important than ever that risk management and internal control arrangements are effective. The Committee will continue with this approach in 2023/24 so as to provide the required assurance to the Council.

Apart from the above, there are no other major areas of concern to bring to the attention of Council.

Finally, I would like to thank members and officers who have supported the work of this Committee by presenting, discussing, challenging, and debating solutions to the governance, risk, financial, and control environment of the Council. The Committee has been well attended throughout the year and where apologies have been given a trained substitute member has attended on the members' behalf.



Mr Allan Rainford
Chair of Governance and Audit Committee

2 Introduction

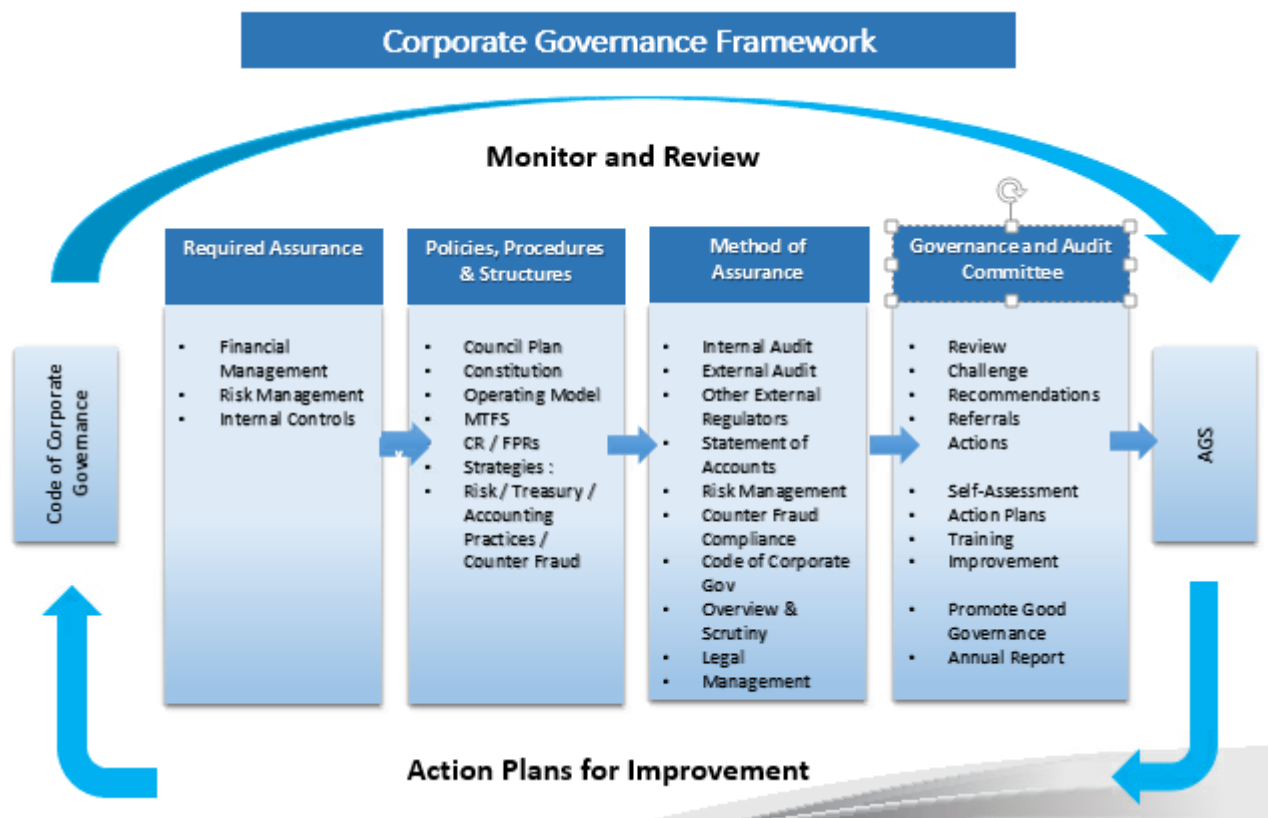
- 2.1 The Governance and Audit Committee is a key part in the Council's Governance Framework. It provides independent governance assurance over the adequacy of the Council's governance and risk management frameworks, the internal control environment, and the integrity of the financial reporting. By overseeing internal and external audit and other regulators, the Committee makes an important contribution by ensuring effective assurance arrangements are in place.
- 2.2 How the Governance and Audit Committee fulfils this role is detailed within the Committee Terms of Reference (March 2021). It states that the Governance and Audit Committee's role and functions will be to:
- A** Review the effectiveness of the Authority's systems of corporate governance, internal control, complaints, performance (self-assessment and peer review) and risk management, and to make reports and recommendations to the County Council on the adequacy and effectiveness of these arrangements.
 - B** Oversee the reporting of the statutory financial statements to ensure the balance, transparency and integrity of published financial information, as well as the review of the financial statements prepared by the authority and recommended to County Council; and

Review and scrutinise the County Council's financial affairs, and to make reports and recommendations on them. The role of the Committee is to assure the budgetary control systems of the Council rather than the scrutiny of the use and value for money of expenditure which is the role of the respective Overview and Scrutiny Committees.
 - C** Monitor the performance and effectiveness of the internal and external audit functions within the wider regulatory context.
 - D** Report to the Council annually, summarising the Committee's activities and recommendations.
- 2.3 The full Terms of Reference for Governance and Audit Committee are detailed at Appendix A.
- 2.4 In supporting the Governance and Audit Committee deliver its terms of reference, there is a strong contribution from the independent members, the external advisors and regulators and the Internal Audit Team.

3 Work of the Governance and Audit Committee and its Effectiveness

- 3.1 The Committee has worked within its Terms of Reference, which includes the requirement to monitor and review governance, risk management, financial management and internal controls within the Council to ensure there is an appropriate and effective framework in place. This process is demonstrated in Graphic 1 below.
- 3.2 The Governance and Audit Committee provides the Council with an independent opinion of the effectiveness of the Governance arrangements within the Council including those of the internal and external audit function.

Graphic 1 – Corporate Governance Framework



- 3.3 As referred to at 2.2, the Governance and Audit Committee’s Terms of Reference is split into four main areas referenced A-D. Within tables 1-4 below the Governance and Audit Committee demonstrates how it has met and fulfilled its Terms of Reference by receiving, reviewing, challenging, noting and accepting the following reports.

Table 1 – Terms of Reference A

TOR A:		
To review the effectiveness of the Authority's systems of corporate governance, internal control, complaints, performance (self-assessment and peer review) and risk management		
Committee Date	Report Received	Committees Resolution
08/06/2022	Care Inspectorate Wales (CIW) – Assurance Check report	<ul style="list-style-type: none"> That the positive feedback received from CIW be noted, following the Assurance Check in April 2021; and That the Committee's thanks be extended to Social Services' teams for their work relating to the inspection and during the pandemic.
08/06/2022	Draft Annual Governance Statement 2021/22	<ul style="list-style-type: none"> That the Annual Governance Statement 2020/21 be attached to the Statement of Accounts and recommended to Council for adoption; and That views from all Committee Chairs will be sought for the next Annual Governance Statement.
08/06/2022	Audit Wales Annual Plan 2022/23	That the Audit Wales Annual Plan be noted.
08/06/2022	Drury Primary School – Financial Management Arrangements	That the report be accepted and a follow-up report scheduled for January 2023.
08/06/2022	Internal Audit Annual Report	That the report and Internal Audit annual opinion be noted.
08/06/2022	Internal Audit Progress Report	That the report is accepted.
28/09/2022	Audit Wales Review of Commissioning Older People's Care Home Placements by North Wales Council's and Betsi Cadwaladr University Health Board	<ul style="list-style-type: none"> That the Committee notes the recommendations in the Audit Wales report on Commissioning of Older People's Care Home Placements by North Wales Councils and Betsi Cadwaladr University Health Board; and That the Committee notes the agreed actions in the Management Response to address these recommendations and receives regular updates on the implementation of the actions going forward.
28/09/2022	School Reserve Balances Year Ending 31 March 2022	That the level of school reserves as at 31 March 2022 be noted.
28/09/2022	Internal Audit Progress Report	That the report is accepted.
14/11/2022	Asset Disposal and Capital Receipts Generated 2021/22	That the report is noted.
14/11/2022	Financial Procedural Rules	That the updated Financial Procedure Rules be endorsed and recommended for submission to Council on 24 January 2023 for approval following consideration by the Constitution and Democratic Services Committee on 12 January.
14/11/2022	Risk Management Framework	That with the inclusion of the two changes, the Risk Management Framework V3 2022 be approved.
14/11/2022	Maes Gwern Contractual Arrangements	That the report and the updated timetable for the remaining actions be noted; and That a cross-authority post-project review meeting be held to ensure that all learning is drawn out and captured.
25/01/2023	Climate Change Strategy	That the Committee notes the contents of the report; <ul style="list-style-type: none"> That the Committee supports the improvement of internal communications to raise awareness of the Council's positive progress in moving to

		<p>achieve its climate change ambitions;</p> <ul style="list-style-type: none"> • That the Committee supports the introduction of embedding carbon measures into procurement processes within a pilot portfolio of the Council; • That the Committee supports the case for an Invest to Save post and resources to introduce Building Management Systems within more of our building assets to improve the management of energy use; and • That the Committee supports the embedding of climate change principles throughout the Council, through delivery of Carbon Literacy training to Elected Members, Senior Managers and other key decision makers.
25/01/2023	Public Services Ombudsman for Wales Annual Letter 2021/22 and Complaints made against Flintshire County Council during the First Half of 2022/23	<ul style="list-style-type: none"> • That the Committee notes the annual performance of the Council in respect of complaints made to the Public Services Ombudsman for Wales during 2021-22; • That the Committee notes the 2022-23 half year performance of the Council in respect of complaints made to services in line with its complaints procedure; • That the Committee supports the actions outlined in paragraph 1.15 to improve complaints handling across the Council; and • That the Committee requests additional information for the next report to demonstrate how community feedback helps to identify changes to improve service delivery.
25/01/2023	Code of Corporate Governance	That the updated Code of Corporate Governance be endorsed for adoption as part of the Council's Constitution.
25/01/2023	Internal Audit Progress Report	That the report be accepted.
25/01/2023	Drury Primary School – Financial Management Follow-Up	That the progress made in implementing the actions from the original report be noted.
22/03/2023	External Regulation Assurance	<ul style="list-style-type: none"> • That the Committee is assured by the Council's response to external regulatory reports; • That a reminder is sent to services that progress reports on action plans should be apolitical; and • To review the external reporting protocol to clarify responsibilities for monitoring progress against action plans after submission to Cabinet and Overview and Scrutiny.
25/03/2023	Corporate Self-Assessment 2021/22	<ul style="list-style-type: none"> • That the findings of the Corporate Self-Assessment 2021/22 be noted; • That the opportunities for improvement identified in Corporate Self-Assessment 2021/22 be noted; and • That the Committee notes the need to make the process more robust and resilient, including wider consultation, in order to drive improvement.
25/03/2023	Annual Governance Statement 2021/22 Mid-Year Progress Report	That the Annual Governance Statement 2021/22 Mid-Year Progress update be accepted.
22/03/2023	Internal Audit Strategic Plan 2023-26	That having considered the areas covered, including those prioritised for the first year, and the level of audit resources, the Committee approves the Flintshire Internal Audit Strategic Plan for 2023-26.
22/03/2023	Internal Audit Progress Report	That the report be accepted.

Table 2 – Terms of Reference B

TOR B: To Oversee the reporting of the statutory financial statement's process and review and scrutinise the County Council's financial affairs		
Committee Date	Report Received	Committees Resolution
08/06/2022	Certification of Grants and Returns 2020/21	That the content of the Grant Claim Certification report for 2020/21 be noted.
27/07/2022	Draft Statement of Accounts 2021/22	<ul style="list-style-type: none"> • That the draft Statement of Accounts 2021/22 (which includes the Annual Governance Statement) be noted; and • That Members note the opportunity to discuss any aspect of the Statement of Accounts with officers or Audit Wales from July to August, prior to the final audited version being brought back to the Committee for final approval in November 2022.
27/07/2022	Supplementary Financial Information to Draft Statement of Accounts 2021/22	Report is noted.
27/07/2022	Treasury Management Annual Report 2021/22 and Treasury Management Quarter 1 Update 2022/23	<ul style="list-style-type: none"> • That the draft Treasury Management Annual Report 2021/22 be noted, with no matters to be drawn to the attention of Cabinet in September; and • That the Treasury Management 2022/23 first quarter update be noted.
28/09/2022	School Reserves Balances Year End 31 March 2022	That the school reserve level as at 31 March 2022 be noted.
14/11/2022	Update on the Statement of Accounts 2022	That the Committee notes the report and the reasons for deferring the approval of the Statement of Accounts 2021/22.
14/11/2022	Treasury Management Mid-Year Review and Quarter 2 Update 2023/23	<p>That the Committee notes the draft Treasury Management Mid-Year Report 2022/23 and confirms the following matters to be drawn to the attention of Cabinet at its meeting in December 2022:</p> <ul style="list-style-type: none"> • To note compliance with the Council's approved prudential indicators; • Key considerations informing borrowing decisions; and • Stability of PWLB rates which had been subject to fluctuations.
14/11/2022	Asset Disposal and Capital Receipts Generated 2021/22	That the report is noted.
25/01/2022	Statement of Accounts 2021/22	<ul style="list-style-type: none"> • That the final version of the Statement of Accounts 2021/22 be approved, incorporating the updated position on emergency grant funding; • That the Audit Wales presentation 'Audit of the Group Financial Statements 2021/22– Flintshire County Council' be noted; • That the Letter of Representation be approved. • That the report and the updated timetable for the remaining actions be noted; and • That a cross-authority post-project review meeting be held to ensure that all learning is drawn out and captured.
25/01/2023	Treasury Management Strategy 2023/24 and Quarter 3	<ul style="list-style-type: none"> • That having reviewed the draft Treasury Management Strategy 2023/24, the Committee has

	Update 2022/23	no specific issues to be reported to Cabinet on 23 February 2023; and <ul style="list-style-type: none"> • That the Treasury Management 2022/23 quarterly update be noted.
22/03/2023	Quarter 4 Treasury Management Update 2022/23	That the Treasury Management 2022/23 quarterly update be endorsed.

Table 3 – Terms of Reference C

TOR C: To monitor the performance and effectiveness of the internal and external audit functions		
Committee Date	Report Received	Committees Resolution
08/06/2022	Audit Wales 2022 Audit Plan	That the draft Audit Wales Plan 2022 be noted.
08/06/2022	Internal Audit Annual Report	That the report and Internal Audit annual opinion be noted.
08/06/2022	Internal Audit Progress Report	That the report is accepted.
28/09/2022	Internal Audit Progress Report	That the report is accepted.
28/09/2022	External Assessment - Public Sector Internal Audit Standards 2022	That the report be noted.
25/01/2023	Public Services Ombudsman for Wales Annual Letter 2021/22 and Complaints made against Flintshire County Council during the First Half of 2022/23	<ul style="list-style-type: none"> • That the Committee notes the annual performance of the Council in respect of complaints made to the Public Services Ombudsman for Wales during 2021-22; • That the Committee notes the 2022-23 half year performance of the Council in respect of complaints made to services in line with its complaints procedure; • That the Committee supports the actions outlined in paragraph 1.15 to improve complaints handling across the Council; and • That the Committee requests additional information for the next report to demonstrate how community feedback helps to identify changes to improve service delivery.
25/01/2022	Internal Audit Progress Report	That the report is accepted.
25/03/2023	Corporate Self-Assessment 2021/22	<ul style="list-style-type: none"> • That the findings of the Corporate Self-Assessment 2021/22 be noted; • That the opportunities for improvement identified in Corporate Self-Assessment 2021/22 be noted; and • That the Committee notes the need to make the process more robust and resilient, including wider consultation, in order to drive improvement.
22/03/2023	Internal Audit Strategic Plan 2023-26	That having considered the areas covered, including those prioritised for the first year, and the level of audit resources, the Committee approves the Flintshire Internal Audit Strategic Plan for 2023-26.
22/03/2023	Internal Audit Progress Report	That the report be accepted.
22/03/2023	Private meeting between members, Internal Audit Manager and Audit Wales	N/A

Table 4 – Terms of Reference D

TOR D: To report to the Council annually, summarising the Committee’s activities and Recommendations (<i>demonstrating the Committees’ effectiveness</i>)		
Date of Committee	Report Received	Committees Resolution
14/11/2022	Governance and Audit Committee Annual Report	That the annual report for 2021/22 be endorsed prior to its submission to Council for approval in 13 December 2022.
22/03/2023	Governance and Audit Committee Self-Assessment	That having considered the findings of the report and on the basis of the discussion, the Chair and Vice-Chair develop a compact action plan to progress actions to inform future development of the Committee.

- 3.4 Any actions raised by Governance and Audit Committee after reviewing and considering these reports are detailed at Appendix B. The level of review and requests for additional information has increased significantly since the last year (38 actions compared to 15 for the previous year) demonstrates the increased level of discussion taking place. Where actions remain open (2 out of 38), these are either ongoing or not due at the point of this report.
- 3.5 In many cases following review by the Committee, the Committee accepted the recommendations made in supporting reports. However, this frequently followed extensive exploration of an issue, detailed questioning and agreed actions. As Appendix B shows the increase in actions from the previous year (38 compared to 15); examples of this included ensuring clear arrangements for follow through after Red/Amber Internal Audit reports, ensuring significant new areas of Council responsibility/risk. Requesting follow updates on red reports and external regulatory reports (e.g. Maes Gwern, Drury Primary School and Commissioning Older People’s Care Home Placements by North Wales Councils and BCUHB
- 3.6 The Committee’s Forward Work programme for 2023/24 is detailed at Appendix C.

4 Internal Audit Opinion

- 4.1 The Internal Audit Service to Flintshire County Council is required to provide the Council (through the Governance and Audit Committee) with an opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. In giving that opinion it should be noted that assurance can never be absolute. The most that the Internal Audit Service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance, and control processes.
- 4.2 The matters reported in the Internal Audit Annual Report are those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement..
- 4.3 There have been no limitations made on the scope of Internal Audit coverage during the year.

For the year ending 31 March 2023, based on the work the Internal Audit Service has undertaken my opinion is that Flintshire County Council has an adequate and effective framework of governance, risk management and internal control.

- 4.4 During 2022/23 there were no 'Red / Limited assurance' opinions issued (compared to previous years 2021/22 three audits, 2020/21 zero audits, 2019/20 one audit, 2018/19 two audits, 2017/18 three audits, 2016/17 four audits and 2015/16 six audits), where an urgent system revision was required.
- 4.5 Overall 82% of assurance opinions issued were either Green or Amber Green providing the Committee assurance that of the audits undertaken this year in the main there are effective arrangements in place for governance, risk management and internal control.
- 4.6 In order for the Internal Audit team to be in position to undertake such work and deliver this audit opinion, it has an unfettered high profile role within the Council, and has developed and holds an excellent trusted working relationship with portfolios. The breadth of the work has grown in recent years seeing a significant increase in requests for advisory, consultancy and commissioned work.

5 Governance and Audit Committee Membership and Attendance

- 5.1 For the period of this report, and to comply with Local Government and Elections (Wales) Act 2021 the Council had determined that the membership of its Governance and Audit Committee will consist, from May 2022, of six elected Members and three Independent Lay Members. The Independent Lay Members are usually appointed for a period of five years and Council Members are reappointed annually. The first lay member was appointed in 2017, the second in September 2019 and third in May 2022. To provide some continuity and compliance with the act it was agreed by Council in May 2023 to further extend the lay members term from May 2023 to 31 May 2026.
- 5.2 The Committee is serviced by Council Officers, principally the Chief Executive, the Chief Officer, Governance (Council’s Monitoring Officer), the Corporate Finance Manager (Section 151 Officer) and the Internal Audit, Performance and Risk Manager. Representatives from Corporate Finance, Performance and Risk, and Audit Wales also attend Audit Committee.
- 5.3 The Governance and Audit Committee met on six separate occasions during 2022/23. For each meeting, the Committee were quorate and there were sufficient Elected Members to generate an informed discussion on the matters raised. The attendance by members demonstrates their continued commitment to the Governance and Audit Committee by their high attendance rate of 97.9%.

Table 5 – Governance and Audit Committee Meeting 2022/23

Members Attendance / Committee Date	08/06/22	27/07/22	28/09/22	14/11/22	25/01/23	22/03/23	Meetings Attended
S Ellis (Lay Member and Chair)	✓	✓	✓	✓	✓	✓	6
A Rainford (Lay Member and Vice Chair)	✓	✓	✓	✓	✓	✓	6
B Harvey (Lay Member)	✓	✓	✓	✓	✓	✓	6
Cllr B Attridge	Apologies	✓	Apologies	Apologies	✓	✓	3
Cllr G Banks	✓	✓	✓	✓	✓	✓	6
Cllr A Marshall	-	-	✓	✓	✓	✓	4
Cllr A Parkhurst	✓	✓	✓	✓	✓	✓	6
Cllr L Thomas	Observer	✓	✓	✓	✓	Apologies	5
Cllr R Hughes	✓						1
Cllr R McKeown	N/A	✓	✓			✓	3
Cllr R Davies (Sub)	N/A	N/A	✓	N/A	N/A	N/A	1
Cllr T Palmer (Sub)	N/A	N/A	N/A	N/A	N/A	✓	1
Total for Committee	6	8	9	7	8	9	
Other Members Present as Observers	1	1	3	2	2	3	
Attendance Ratio for 2022/23	97.9%						
Attendance Ratio for 2021/22	98.1%						
Attendance Ratio for 2020/21	100%						
Attendance Ratio for 2019/20	97.5%						
Attendance Ratio for 2018/19	95.8%						

Attendance Ratio for 2017/18	87.5%
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- 5.4 All members of the Committee, including any substitutes have received the required Governance and Audit Committee training prior to attending their first Governance and Audit Committee meeting. All meetings were held remotely, meetings were recorded, and papers are available on the Council's website. Officers from the Council's External Auditors, Audit Wales (AW) were present at most of the meetings.

6 Self-Assessment, Training and Development

Governance and Audit Committee Self-Assessment

- 6.1 The last self-assessment was undertaken in December 2022 and considered the new CIPFA guidance for Governance and Audit Committees as part of this assessment. The online self-assessment session was interactive with a positive discussion taking place regarding the delivery of the Committee's core role and function. Following the self-assessment an action plan was developed and approved and presented to Governance and Audit Committee in June 2023. This will be used to monitor performance.
- 6.2 In October 2019, an All-Wales Chair and Vice Chairs of Governance and Audit Committee Network was established and held in Llandrindod Wells. Since 2020 this has operated remotely. During 2022/23, one session has been held and attended by the Chair and Vice Chair of the Governance and Audit Committee and the Internal Audit, Performance and Risk Manager.

Governance and Audit Committee Training and Development

- 6.3 Table 6 provides details of the training courses attended.

Topic	Date	Type of Training	Coverage
Governance and Audit Committee Members Training	25/05/2022 08/07/2022	Role of Governance and Audit Committee	<ul style="list-style-type: none"> Internal and External Audit Governance - Internal Control, Performance, Risk and Financial Management Local Governance and Elections (Wales) Act 2021 Requirements and effectiveness of Governance and Audit Committee
Statement of Accounts	08/06/2022	Accounts	Presentation and explanation of the Statement of Accounts.
Corporate Complaints Training	02/12/2022	Corporate Complaints	Training to enable the Governance and Audit Committee member to fulfil their duties under the new Governance and Audit Committee from the Local Government and Elections (Wales) Act 2021 in relation to Corporate Complaints
Treasury Management	07/12/2022	Financial	Half day external training session provided on the Council's approach to Treasury Management.
Chair and Vice Chairs of Audit Committee Network Seminar	03/10/2022	Governance; Risk Management and Effectiveness of the Governance and Audit Committee	Half-Day Session covering: <ul style="list-style-type: none"> CIPFA's Position Statement and guidance; Assessing your Committee's Effectiveness Tricky Areas New requirements for the Governance and Audit Committee from the Local Government and Elections (Wales) Act 2021
Member specific	22/02/2023	Role of Governance and Audit Committee	Specific training / advice
Annual Governance Statement	22/02/2023	Governance	Presentation and explanation of the Annual Governance Statement

- 6.4 Areas were identified for strengthening the role of the Governance and Audit Committee during the 2022/23 Governance and Audit Committee's self-assessment review. As a means of gathering evidence as to the effectiveness of the Committee and to increase its effectiveness, the Committee approved on 14 June 2023 an action plan which addressed the findings of the previous self-assessment. This will be considered as part of the next self-assessment.

7 Future Priorities

- 7.1 The Committee's Forward Work Programme (Appendix C) will continue to be reviewed to ensure the contribution to governance, risk management, financial management and internal control is maximised.

Appendix A

Governance and Audit Committee's Terms of Reference

The Terms of Reference for the Governance and Audit Committee was updated to reflect the name change and the new responsibilities because of the Local Government and Elections (Wales) Act 2021.

7.00 Statement of Purpose:

The terms of reference sets out the Governance and Audit Committee's position in the governance structure of the Council.

The Governance and Audit Committee is a key component of Flintshire County Council's (the Council's) corporate governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

7.01 Role:

The Governance and Audit Committee's role and functions will be to:

- A.** Review the effectiveness of the Authority's systems of corporate governance, internal control, complaints, performance (self-assessment and peer review) and risk management, and to make reports and recommendations to the County Council on the adequacy and effectiveness of these arrangements;
- B.** Oversee the reporting of the statutory financial statement's process to ensure the balance, transparency and integrity of published financial information, and to review the financial statements prepared by the authority and recommend them to County Council; and

Review and scrutinise the County Council's financial affairs, and to make reports and recommendations on them. The role of the Committee is to assure the budgetary control systems of the Council rather than the scrutiny of the use and value for money of expenditure which is the role of the respective Overview and Scrutiny Committees.
- C.** Monitor the performance and effectiveness of the internal and external audit functions within the wider regulatory context.
- D.** Report to the Council annually, summarising the Committee's activities and recommendations.

A. Corporate Governance, Internal Control, Complaints, Performance and Risk Management

1. Evaluate whether Senior Accountable Officers and service teams are setting the appropriate “control culture” by communicating the importance of internal control and risk management.
2. Consider and assure the annual update of the Code of Corporate Governance against the ‘Delivering Good Governance Framework (Wales)’.
3. Consider and assure the draft Annual Governance Statement and make appropriate recommendations/observations prior to its submission to the Council’s Regulators.
4. Evaluate the overall effective development and operation of the internal control and risk management frameworks and consider whether actions raised by the internal and external auditors have been implemented by Senior Accountable Officers.
5. Review and assure the Risk Management Strategy through regular reports on risk management and business continuity plans, processes and outcomes.
6. Monitor progress in addressing risk related issues reported to the Committee.
7. Consider the Council’s framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
8. To review and assess the Council’ ability to effectively handle complaints.
9. To make reports and recommendations in relation to the Council’s ability to handle complaints effectively.
10. To consider the Council’s draft Annual Performance Self-Assessment report and if necessary make any recommendations for changes to the Council.
11. To receive the Council’s finalised Annual Self-Assessment report for the respective financial year as soon as reasonably possible after the end of the financial year.
12. At least once during the period between two consecutive ordinary elections of councillors to the Council, consider the independent Panel Performance Assessment report on whether the Council is meeting its performance requirements.
13. To receive and review the Council’s draft response to the report of the independent Panel Performance Assessment and if necessary, make

recommendations for changes to the statements made in the draft response to the Council.

14. Keep under review the Council's Anti-Fraud and Corruption Strategy, Fraud Response Plan and Whistleblowing Policy and the assessment of fraud risks and potential harm to the Council from Fraud and Corruption.
15. Consider the Council's arrangements to secure value for money and review assurances and assessment on the effectiveness of these arrangements.
16. Receive reports on all fraud identified and any other special investigations, and action taken.
17. Consider how Senior Accountable Officers are held to account for the security of computer systems and applications to protect against computer fraud or misuse.
18. Ensure the rigorous application of the agreed protocol for the reporting and decision making over business cases for collaborative projects, the management of the transition for approved collaborations, and the subsequent performance management arrangements for the new collaborative services.
19. Obtain regular updates from Senior Accountable Officers and legal advice regarding compliance matters, and be satisfied that all compliance matters have been considered in preparing the financial statements.
20. The Chair and Vice Chair of the Governance and Audit Committee together with the Chairs and Vice Chairs of the six Overview and Scrutiny Committees will attend the Chair and Vice Chair Liaison Group with the primary aim to reduce duplication of work, ensure there is a shared coverage of the Council's risk profile and escalate poor performance between respective Committees.

Appendix A of the Audit Charter provides a diagram of the co-ordination of work between the Overview and Scrutiny Committees and Governance and Audit Committee.

B. Financial:

Statutory Financial Statements

1. Receive the draft annual Statement of Accounts, together with the underlying accounting policies for information. Consider and comment on the final statement of accounts following the receipt of the proposed audit opinion from the Wales Audit Office prior to recommending their approval to the Council.
2. Understand the controls and processes implemented by Senior Accountable Officers to ensure the financial statements derive from the underlying financial

systems, comply with relevant standards and requirements, and are subject to appropriate review.

3. Meet with management and external auditors to review the financial statements, the key accounting policies and judgements, significant accounting and reporting issues and their impact on financial reports, and the results of the audit.
4. Ensure that significant adjustments, unadjusted differences, disagreements with Senior Accountable Officers and critical accounting policies and practice are discussed with the external auditor.

Financial Affairs

5. Understand the internal control systems implemented by Senior Accountable Officers and service teams for the approval of transactions and the recording and processing of financial data.
6. Gain an understanding of the current areas of greatest risk around financial controls and advise and assure on risk management.
7. Keep under review the Council's financial procedure rules and contract procedure rules and all other corporate directions concerning financial control.
8. Review and assure the Treasury Management Strategy and Policy and consider quarterly updates on Treasury Management and make appropriate recommendations / observations to the Cabinet.

C. Internal and External Audit

1. Keep under review the joint working arrangements of the Council's Internal and External Auditors.

Internal Audit

2. Promote the role of internal audit within the Council, as a key element of its control environment.
3. Review and approve the Internal Audit Charter, outlining the role, scope, independence, authority, responsibility and reporting of the department.
4. Keep under review the organisational structure and resource requirements of the Internal Audit Section and consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Internal Audit, Performance and Risk Manager. To approve and periodically review safeguards to limit such impairments.

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5. Make appropriate enquiries of both Senior Accountable Officers and the Internal Audit, Performance and Risk Manager to determine if there are any inappropriate scope or resources limitations.
 6. Review, approve (but not direct) and monitor the delivery of the risk-based internal audit plan, the approach to using other sources of assurance and any work required to place reliance upon those other sources and ensure the plan considers changes arising from Government, Assembly or Council initiatives.
 7. Approve significant interim changes to the risk based internal audit plan and resources requirements.
 8. Receive summaries of all internal audit reports issued, highlighting key actions with corporate control implications.
 9. Consider reports from the Internal Audit, Performance and Risk Manager on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - Updates on the work of internal audit including key findings, issues of concern including monitoring the implementation of agreed actions contained within internal audit reports, receive report on actions not implemented within good timescales and seek explanations from officers where required.
 - Regular reports on the results of the Quality Assurance Improvement Programme (QAIP).
 - Reports on instances where the Internal Audit Service does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Governance Advice Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the AGS.
 10. Receive and consider the Internal Audit, Performance and Risk Managers annual report:
 - The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.
 - The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the Committee in reviewing the Annual Governance Statement (AGS).

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- Keep performance indicators under review and evaluate, on an annual basis, the performance and effectiveness of internal audit and its compliance with best practice.
11. Consider summaries of specific internal audit reports as requested.
 12. Receive reports outlining the action taken where the Internal Audit, Performance and Risk Manager has concluded that Senior Accountable Officers and service teams have accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.
 13. Contribute to the Quality Assurance Improvement Programme (QAIP) and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
 14. Meet separately with the Internal Audit, Performance and Risk Manager to discuss any matters that the Committee or internal auditors believe should be discussed privately.
 15. Should the needs arise, arbitrate in the event of any failure to agree between a Senior Accountable Officers and internal audit.
 16. Discuss with the external auditor the standard of work of internal audit.

External Audit and External Regulatory Bodies

External Audit

17. Support the independence of external audit through consideration of the external auditor's annual assessment of its independence.
18. Review the external auditors' proposed audit scope and approach for the current year in the light of the Authority's present circumstances and changes in regulatory and other requirements arising from Government, Assembly or Council initiatives.
19. Ensure that the annual audit is undertaken in compliance with statutory requirements.
20. Receive all audit reports, and the annual audit letter, issued by the external auditor, and ensure that all agreed recommendations are implemented.
21. Consider specific reports as agreed with the external auditor.
22. Discuss with the external auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information.

23. Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately. Ensure the auditors have access to the chair of the Governance and Audit Committee when required.
24. Review, annually, the performance of external audit and co-ordinate any feedback requested from Audit Wales.

External Regulation: Performance

25. External arrangements for regulation and assurance are provided by a number of statutorily appointed bodies such as the Audit Wales (AW), Estyn and the Care Inspectorate Wales (CIW), plus a number of other external regulatory bodies. To examine how the organisation manages and spends public money including achieving value in delivery. This work is co-ordinated by the Internal Audit, Performance and Risk Management team and a shared protocol for these working arrangements is in place.
26. To gain assurance and confidence of the Council's response to the external regulatory findings the Governance and Audit Committee will:
 - a) Receive periodic reports from external regulators which will include the Council's response to the reports and ensure that effective processes are in place for setting and monitoring against proportionate and effective action plans.
 - b) Receive an annual report collating external regulatory activity on improvement assessment work which is supplemented by local risk based audit work; and
 - c) Receive the Annual Improvement Report from the Auditor General

D. Accountability Arrangements

1. Require the attendance at the Committee of any officer or member, or the submission of a report from any officer, to provide further explanation in connection with any of the above terms of reference.
2. Evaluate the Committee's own performance, both of individual members and collectively, on a regular basis.
3. The Committee must meet at least once a year and must also do so if the Council decides or if at least a third of the Committee's members require a meeting. Beyond those requirements the Committee can meet whenever it likes.
4. The Governance and Audit Committee will keep the above terms of reference under annual review and propose any amendment to the County Council.

5. Report to full council and publish an annual report on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.

9.2.3 Composition (As per the Council's Constitution)

1. The Chair and Vice-Chair of the Governance and Audit Committee will be chosen by the Committee itself at its first meeting following each annual general meeting. The Chair and Vice Chair of the Governance and Audit Committee will be chosen from amongst the opposition group(s), non-aligned Councillors or lay member on the Council (that is to say from amongst the group(s) none of whose members are included in the Cabinet). From May 2022 the appointment of the Chair must be from one of the Lay Members appointed to sit on the Committee.
2. The County Council shall appoint two (three from May 2022) people who are neither a serving Councillor nor an officer of the County Council or any other Council to serve as a lay members of the Committee with full voting rights. The lay member's term of office shall be from the first County Council meeting following the annual general meeting following the County Council elections until the first County Council meeting after the annual general meeting following the next County Council elections. No more than one member of the Committee shall be on the Council's Cabinet. The Council Leader cannot be a member of the Committee.
3. It is the express wish of the Council that there should be continuity of membership of the Governance and Audit Committee so as to build up a body of expertise and maintain a consistency of approach.
4. In recognising the express wish of the Council but observing the requirements of the legislation for political balance, the Governance and Audit Committee will comprise seven (six from May 2022) Members with the seats allocated in accordance with the legislation to the appropriate political groups and one lay member. Any proposed substitution shall comply with Council Procedure Rule 22.4 and the proposed substitute shall have attended relevant training. Substitutes will only be permitted where the Governance and Audit Committee, at the commencement of its meeting, agrees that good reasons exist for substitution.
5. Members will receive induction training on appointment to the Committee. Ongoing training will be provided as necessary to meet the requirements of the Committee, based on the skills and experience of the members.
6. The business of the Committee shall be conducted apolitically.

Governance and Audit Committee Actions Raised during 2022/23

Appendix B

Item No.	Report	Action Required	Action Taken	Status
June 2022				
5.	CIW - Assurance Check	That the Committee's thanks be extended to Social Services' teams for their work relating to the inspection and during the pandemic.	All staff within Social Services Adults and Children were emailed to express thanks following GAC on the 8 th June 2022.	Closed
6.	AGS 2021/22	To share information on the latest review of the Corporate Anti-Fraud Strategy with the Committee (Cllr Parkhurst's question).	The Corporate Anti-Fraud Strategy together with the Anti Money Laundering Statement, Whistleblowing Policy, Fraud Response Plan and the Financial Procedural Rules was emailed to Cllr Parkhurst on 8 th June 2023	Closed
7.	Certification of Grants 2020/21	To share information on housing benefit subsidy caseload with the Committee.	Information on housing benefit subsidy caseloads was shared with committee members on 9 th June 2022	Closed
11.	Drury PS – Financial Management Arrangements	A follow up report to be scheduled for January 2023	Follow up report presented to Governance and Audit Committee in January 2023	Closed
July 2022				
19.	Draft Statement of Accounts 2021/22	To clarify within the final accounts the separate legal arrangements of Theatr Clwyd as opposed to NEW Homes (Cllr Banks suggested in the chat that a brief explanation and link be included under 'Associated Companies' on p.48).	Following a review of the Code, it would not be categorised as a relationship that gives rise to related parties. The Code states "transactions do not themselves create a related party relationship: there has to be some element of control or influence by one party over another" We do not have this with the Theatr.	Closed

Item No.	Report	Action Required	Action Taken	Status
19.	Draft Statement of Accounts 2021/22	To share information on financial support to local businesses and communities during the pandemic.	Information emailed to Committee 01/08/22	Closed
19.	Draft Statement of Accounts 2021/22	To bring forward the November meeting to accommodate the approval of the accounts.	Meeting has been moved to 14/11/22	Closed
20.	Supplementary financial info to SoA	That information on the significant increase in interim/temporary contracts (Table 2) and how this compares to other councils be emailed to the Committee.	Information emailed to Committee 04/08/22	Closed
September 2022				
26.	AW Review of Commissioning Older People's Care Home Placements by NW Councils and BCUHB	That the Committee notes the agreed actions in the Management Response to address these recommendations and receives regular updates on the implementation of the actions going forward. That the updates include any actions by Welsh Government, with timescales, as part of the national report by Audit Wales.	The service will attend June 2023 committee to provide an update on the progress made against the findings within the report.	Closed
27	School Reserve Balances y/e 31/03/22	To share with the Committee the protocol for schools in financial difficulty.	The protocol for schools in financial difficulty was shared with the Committee on 18 October 2022	Closed
28	IA Progress Report	That the responsible officer for Maes Gwern contractual arrangements be invited to attend Committee to provide reasons for overdue actions.	Officer from Housing will attend Committee in November 2022 to provide an update	Closed
28	IA Progress Report	To liaise with the auditor of the Amber/Red report	An explanation was provided to members on 24	Closed

Item No.	Report	Action Required	Action Taken	Status
		(Appendix D) on the reconciliation of manual records with information from Finance, to assure the Committee of no associated risks.	October 2022	
November 2022				
36.	Treasury Mgt mid-year review 2022/23 and Q2 update	That the Committee notes the draft Treasury Management Mid-Year Report 2022/23 and confirms the following matters to be drawn to the attention of Cabinet at its meeting in December 2022: <ul style="list-style-type: none"> To note compliance with the Council's approved prudential indicators; Key considerations informing borrowing decisions; and Stability of PWLB rates which had been subject to fluctuation.	Cabinet considered and approved the report on 20 December 2022	Closed
36.	Treasury Mgt mid-year review 2022/23 and Q2 update	To share details of credit agency ratings for each of the Council's investment counterparties with the Committee.	Members were provided with this information on 8 December 2022	Closed
37.	Asset Disposal and Capital Receipts generated 2021/22	To share further details of disposals in Appendix 1 with the Committee, on a confidential basis.	Members were provided with this information on 8 December 2022	Closed
38.	Financial Procedure Rules	To respond to the Committee on Cllr Banks' questions: <ul style="list-style-type: none"> Clarify 'true copy' on p.41(h) of the FPRs Clarify the change to (d) under Key Controls on p.38	Members were provided with a response to this enquiry on 22 November 2022	Closed
39.	Risk Management Framework	To update the framework document to include (a) the Committee referring red risk actions to OSCs, and (b) the inclusion of partnership risks being fed	The Risk Management framework has been updated, the audit action closed down and made	Closed

Item No.	Report	Action Required	Action Taken	Status
		into InPhase.	available of the Council's Infonet.	
39.	Risk Management Framework	To share dashboard information with the Committee at the January meeting.	Due to a lack of technical resources within the a 'new' team this has been moved to November 2023 committee.	Open
January 2023				
47.	Minutes	To clarify the difference between figures in the appendix, compared with the confidential breakdown shared after the meeting.	The majority of the difference between figures in the appendix, relate to the Maes Gwern development which was omitted due to commercial sensitivity. There was also amounts for receipts received through non disposals, such as release of covenants / easements and repayment of loans. Democratic Services have been asked to record this difference in a note on the minutes.	Closed
47.	Minutes	To advise the Committee how the above annual report will be presented in future.	Previous reports presented only reviewed disposals of council fund assets over the past year. To include a total of all receipts received in year within the report in the future.	Closed
48.	Statement of Accounts 2021/22	That a detailed assurance report be shared with the Committee about arrangements in place to manage potential conflicts of interests of senior officers; and	A review of Declarations of Interests has been included within the Strategic Internal Audit Plan for 2023/24.	Closed
48.	Statement of Accounts 2021/22	That a request is made to senior officers who have made such declarations to establish whether they are willing to share that information with the Committee.	This will be addressed following the Internal Audit review on Declarations of Interests.	Closed

Item No.	Report	Action Required	Action Taken	Status
48.	Statement of Accounts 2021/22	To share the Asset Register with the Committee on a confidential basis.	This has been shared with members on 7 th March 2023	Closed
49.	Climate Change Strategy	To define milestones in the action plan to support the aims of the strategy.	Future progress reports would be more transparent in including milestone targets and progress against these.	Closed
50.	PSOW Annual Letter 2021-22 and Complaints against FCC for first half 2022-23	That the Committee requests additional information for the next report to demonstrate how community feedback helps to identify changes to improve service delivery.	This will be included within future reports to Committee.	Closed
51.	Treasury Management 2023/24 Strategy and Q3 Update 2022/23	To consider whether reference to the Climate Change Strategy could be included in section 1.03 of the Policy Statement.	Paragraph amended to reference responsible investment, where possible.	Closed
51.	Treasury Management 2023/24 Strategy and Q3 Update 2022/23	To respond to the Committee on Cllr Attridge's query on clause 3 of the TM Code within the CIPFA Practical Guide for Local Authorities' Audit Committees.	<p>Clause 3 of the Code confirms that responsibility of the treasury management polices and practices are with the Cabinet and the execution and administration of treasury management decisions with the Section 151 Officer.</p> <p>Clause 4 discusses the nominated committee (G&AC for FCC) responsible for ensuring effective scrutiny of the treasury management strategy and polices.</p>	Closed
53.	IA Progress Report	To share with the Committee an update on progress with high priority actions from the Homelessness review when available.	This has been circulated to members on 14 th March 2023	Closed

Item No.	Report	Action Required	Action Taken	Status
57.	Drury Primary School - Finance Management follow-up	To advise the Committee when the final outstanding action has been completed.	The action currently remains open. Committee will be notified once this has been closed.	Open
March 2023				
62.	External Assurance Regulation	That a reminder is sent to services that progress reports on action plans should be apolitical; and	The protocol has been updated to reflect this and shared with key officers.	Closed
62.	External Assurance Regulation	That the external reporting protocol be reviewed to clarify responsibilities for monitoring progress against action plans after submission to Cabinet and Overview and Scrutiny.	This has been included within the Performance Leads agenda.	Closed
62.	External Assurance Regulation	To liaise with the service on the 'Welsh Labor Government' wording on p.2 of the summary document.	This has been included within the performance leads agenda.	Closed
62.	External Regulation Assurance	To respond to the Committee on Cllr Banks' query on why actions P1 and P2 on the Rental Income report should go through the political governance process.	A response to this query was circulated to members 18 April 2023	Closed
65.	GAC Self-Assessment	That having considered the findings of the report and on the basis of the discussion, the Chair and Vice-Chair develop a compact action plan to progress actions to inform future development of the Committee.	An action plan has been established and will be presented to Committee in June 2023	Closed
66.	AGS 2021/22 mid-year	To request a response to concerns about the risk on	Members received an update to these action on	Closed

Item No.	Report	Action Required	Action Taken	Status
	progress report	Housing Benefit overpayments.	07 June 2023	
67.	IA Strategic Plan	To show reviews of Cyber and Data Security over the 3 yr period.	This has been actioned and reflected in the 3 year plan	Closed
67.	IA Strategic Plan	To consider whether any of the requests made by Cllrs Parkhurst and Attridge could be accommodated in the Plan - including a review of external wall insulation contracts once the legal process had concluded. To include a future item on the implementation of the customer engagement strategy as requested by the Chair.	<p>Consideration has been given to the suggested audits made by members for inclusion in the Annual plan. These are listed below:</p> <ul style="list-style-type: none"> • Use of Consultants – to keep as the status quo for now. Past report to be shared with members which includes the detailed process and an additional ¼ report to be introduced for the Chief Executive. • Bad debts – this was performed in 2022/23 • Corporate Grants – this is an annual review • Asset Disposal – this will be discussed with the relevant portfolio during the ¼ review • Anti fraud and corruption – a review of these policies will be undertaken in 2024/25 • Document retention – based on risk, this will not be included in the plan but will be kept for consideration • Planning decisions interests – interests declared (if any) will be covered in the current review • Void Management – will this will be discussed with the relevant portfolio during the ¼ review to establish if this can be brought forward • External wall installation – this is too early to review. It will be included in the 2024/25 plan <p>Customer Engagement – this has been included</p>	Closed

Item No.	Report	Action Required	Action Taken	Status
			within the 2024/25 annual plan	
67.	IA Strategic Plan	On Cllr Parkhurst's comments, to share information on the process to control the use of consultants.	An email has been circulated to members on 05.06.2023	Closed

Governance and Audit Committee Forward Work Programme –2023/24

Appendix C

Date / Area of Assurance	27/09/2023	22/11/2023	24/01/2024	10/04/2024	June 2024	July 2024
Pre-Committee Training				Annual Governance Statement	Draft Statement of Accounts	
Audit Wales (AW)	Audit Plan AW 2022		Assurance and Risk Assessment Review Report (ARR 2021-22)	Audit Plan (AW) 2023	Annual Audit Summary (AW) (2022/23)	
Internal Audit		Fraud Investigation Update (Part 2 Paper)		Public Sector Internal Audit Standards Self- Assessment Internal Audit Strategic Plan 2024/27	Internal Audit Charter Internal Audit Annual Report 2023/24	
	Internal Audit Progress Report	Audit Action Tracking Update	Internal Audit Progress Report	Internal Audit Progress Report	Internal Audit Progress Report	
		Governance and Audit Committee Annual Report Annual Governance Statement Mid-Year review	Code of Corporate Governance Risk Management Update and Framework	GAC Self-Assessment Annual Report on External Inspections	GAC Self-Assessment Action Plan Review Draft Annual Governance Statement Risk Management Update	
Governance and Risk Management	GAC Action Tracking Forward Work Programme	GAC Action Tracking Forward Work Programme	GAC Action Tracking Forward Work Programme	GAC Action Tracking Forward Work Programme	GAC Action Tracking Forward Work Programme	
Performance	Draft Corporate Self-Assessment Report	Corporate Complaints and Compliments Annual Report				
Finance	School Reserves – Annual Report on School Balances			Statement of Accounts		Draft Statement of Accounts Supplementary Financial Information to Draft Statement of Accounts
		Asset Disposals and Capital Receipts				Certification of Grants and Returns Report
Treasury Management		Treasury Management Q2 – Mid Year Report	Treasury Management Q3 Update and Strategy	Treasury Management Q4 Update		Treasury Management Q1 Update and Annual Report
Meeting Following GAC				Private Meeting with Committee, Internal and External Audit		

Matters to be address outside of formal Committee meetings during 2023/24

<p>Governance and Audit Committee</p> <ul style="list-style-type: none"> • Budget Workshops for members • Annual Self-Assessment Workshop • Treasury Management Training • AGS Workshop • Corporate Self-Assessment Workshop • Private Meeting (AW and Internal Audit) • Training and Development sessions • All Wales Chairs and Vice Chairs Network Group • Chair and Vice Chairs Training • Chair and Vice Chair Meeting with the Leader of the Council 	<p>General</p> <ul style="list-style-type: none"> • Correspondence, updates to actions and reports for information purposes • Time sensitive consultation • In person / video meetings as and when necessary
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