



Welcome to our Governance & Audit Committee Newsletter

I intend to write our newsletter twice a year, to keep you up to date on the work we have delivered, the work we have planned and our outcomes. (David Hugh Thomas, Chair)



Our New Member

New Independent Member

On behalf of the Governance and Audit Committee, I would like to welcome Dr Janet Wademan who was recently appointed to the Governance and Audit Committee as an Independent Member.

Janet has taken the place of Ian Arundale who resigned in March 2021, and she has a wealth of Business, Committee and Board level-experience and strong academic achievements that will benefit our Committee.

We look forward to working with our new Member, in our Committee of Eight Elected Members and four Independent Members.

The Local Government and Elections (Wales) Act 2021

Delivering our 'Performance' Responsibilities

I referred to the Local Government and Elections (Wales) Act 2021 in my previous newsletter. The Act has given us particular responsibilities for elements of 'performance' and our work over the last 6 months to deliver these responsibilities is set out below.

All Wales Audit Committee Chairs' Network

On 6 September 2021, I had the privilege of Chairing the All Wales Governance and Audit Committee Chairs' Network, held via remote video session which was once again ably coordinated by our Audit Manager, Chris Pyke.

The Local Authority network event was dedicated to understanding Governance and Audit Committee 'performance' responsibilities resulting from the Local Government and Elections (Wales) Act 2021, to support us to discharge our new responsibilities effectively.

We received three agenda items as follows:

1. [The Welsh Local Government Association \(WLGA\)](#) provided information and discussion on the new responsibilities for Governance and Audit Committees relating to the Local Government and Elections (Wales) Act 2021, and the development of a programme of support.
2. [The Public Service Ombudsman for Wales](#) provided Information on work of the Complaints Standards Authority in Local Authorities, the data collected and a consideration of indicators of 'good' performance.
3. [Audit Wales](#) delivered an interactive session to consolidate some of the learning from the Act

The event provided invaluable information and insight, as we continue to benefit from this important forum of peers and expert advisors. The WLGA are developing a programme of support to help us further our responsibilities associated with the Act, as it comes into effect.

Working with Council Committees

The new Act requires careful coordination between the Governance and Audit Committee and the Council's Scrutiny Committees. I am keen to work closely with Scrutiny Committee Chairs as we embark on the following new coordinated responsibilities.

- Our Committee has a responsibility to review overall systems and arrangements in place for aspects of performance.
- Scrutiny Committees are responsible for scrutinising specific performance issues relative to their terms of reference and executive decision making.
- The work of Scrutiny Committees as they relate to performance issues will feed into the Annual Wellbeing Report of the Council which will be shared with the Governance & Audit Committee.
- Our Governance and Audit Committee will then review and make recommendations, in relation to the high-level issues around securing the performance requirements using the governance infrastructure of the Council rather than recommendations of the specific performance issues dealt with by Scrutiny Committees themselves.

Complaints Handling

We have a responsibility to 'Review and assess the Council's ability to handle complaints effectively'. To support us in discharging this responsibility we received the following items in our July meeting.

Member Breaches of Code of Conduct

Davina Fiore, Director of Governance and Legal Services and Monitoring Officer, provided us with:

1. A report on the arrangements in place for dealing with complaints relating to alleged breaches of the Members' Code of Conduct.
2. The Standards and Ethics Committee's Annual Report 2019/20 for awareness purposes.

We were advised that:

- The Council has adopted the statutory framework as set out in Part III of the Local Government Act 2000.
- The statutory Model Code of Conduct was adopted without variation and is included within Part 5 of Cardiff Council's Constitution.
- A Local Resolution Protocol was adopted in May 2013 (revised in 2017) whereby Members make a commitment to adhere to it as part of the Cardiff Undertaking affirmed publicly by all Members at each Annual Council meeting.

We were informed of the duties and powers of the Monitoring Officer and the Standards and Ethics Committee in relation to any misconduct complaints referred by the Ombudsman and set out in the Local Government Investigations (Functions of Monitoring Officers and Standards Committees) (Wales) Regulations 2001.

Complaints & Compliments Process & Report

Isabelle Bignall, Chief Digital Officer, provided us with a report which included the:

1. Corporate Comments, Complaints & Compliments Policy and the Social Services Complaints Policy & Procedure.
2. Draft Corporate and Social Services Complaints and Compliments Annual Reports 2020/21.

We were advised that:

- The Council's Corporate Policy reflects guidance given in the Welsh Government Model Policy and Guidance Paper for Handling Complaints.
- It is a statutory requirement for Local Authorities to have a complaints policy in place for Social Services.
- The Local Resolution Protocol is in line with the recommendations of the Ombudsman, to deal with relatively 'low level' complaints made by another Member or Council Officer.

We received details of the Council's complaints and compliments systems and processes. We discussed how complaints are defined and how complaints are distinguished from comments. We were advised that comments, requests for service and complaints are defined within clear parameters.

Planning and Performance Management

Our Committee has new responsibilities from the Local Government and Elections (Wales) Act 2021:

- To review the Council's draft annual Self-Assessment Report for the financial year 2021/22, and each financial year thereafter, and make any appropriate recommendations for changes.
- When prepared at least once each electoral cycle, to consider the Council's Panel Performance Assessment Report, review the draft Council response, and make recommendations for changes.

Gareth Newell, Head of Performance and Partnerships, presented an item on [Planning and Performance Management](#) to our Committee in September 2021, where we received and discussed the following.

The Legislative Context for Performance

- Wellbeing of Future Generations (Wales) Act 2015; and
- Local Government and Elections (Wales) Act 2021.

Planning Information

- [Objectives & Success Measures](#) – Namely through the Council's Capital Ambition, Wellbeing Objectives & Wellbeing Indicators.
- [The Planning and Performance Framework](#) - Comprising the Corporate Plan, Directorate Delivery Plans, Performance Objectives supported by other frameworks as follows (Budget / Risk Management Frameworks, Workforce / Asset / Partnership Plans, the Procurement Strategy and other statutory and non-statutory strategies).

Reporting Information

- [The Reporting Framework](#) – We were provided with the assessment, reporting and oversight arrangements for each element of the Planning and Performance Framework.
- [The Self-Assessment Process](#) – This will act as the Council's statutory self-assessment report integrated as part of corporate planning, performance and governance processes.
- [The role of our Committee](#) – To support our review of the Self-Assessment Report it is planned that we receive the draft Annual Wellbeing Report each July, and that we receive a briefing each January on the output and approach to the mid-year Self-Assessment exercise

Improvement

- [Agreed improvement actions](#) will be included in, and reported through, the existing Corporate Reporting Framework with arrangements for the necessary analysis, understanding and response.

Performance Panel Assessments

- The Panel has to be made up of independent members meeting particular criteria; and
- Must assess the extent to which the Council is meeting the performance requirement at least once during an electoral cycle.
- The Council must make a draft of its response to the assessment available to our Committee, for us to review and make recommendations for changes to the response.
- The Council must report the reasons for not making recommended changes.

The Duty to Consult

- Consultation will take place throughout the year with defined stakeholder groups.
- Intelligence will be used to inform the performance assessment.
- A new Citizen Engagement strategy will be developed and aligned to the process.
- Consideration of arrangements for consultation and engagement will take place through Senior Management assurance statements and the Annual Governance Statement.

Areas of Committee Focus

Annual Reports / Year End Reviews

We have received annual reports and reviews for the following areas, and we also receive quarterly updates on Internal Audit, Risk Management, Treasury Management & Counter-Fraud.

Audit Committee

We considered our Audit Committee Annual Report 2020/21 in our July meeting ahead of reporting to Council. It was the final report in our former name of 'Audit Committee'.

The report provides an overview of our work last year, including our key observations and opinion. Over the year we received a number of standard agenda items to deliver our substantive role, and we also considered various one-off items. An account of this work and its outcomes are included within our report. We also report how we have measured and assessed our performance to provide assurance to those placing reliance on our work.

The report identifies the following areas for which we will be seeking particular ongoing assurance:

- Budget Management
- Internal Control
- School Governance & Compliance
- Financial Resilience & Treasury Management

Internal Audit

We considered the Internal Audit Annual Report 2020/21 in our July meeting. The report provides a review of the internal control environment of the Council and the opinion of the Audit Manager. It details the audit work completed to support the opinion and provides performance information and assurance of ongoing compliance with the Public Sector Internal Audit Standards.

The report outlines how due to the range of priorities and difficulties associated with the pandemic affecting the capacity of audit staff and clients, the Audit Plan and approach to delivery was adapted. The team targeted assurance work relating to key risks and controls, and provided an adequate body of assurance work to support a full annual opinion on the Council's control environment.

The Annual Report sets out that, based on the programme of audit work undertaken to assess the framework and application of governance, risk management and control, the annual opinion for 2020/21 is effective with opportunity for improvement. This opinion is based on the delivery of a sufficient Audit Plan, and with an acknowledgment of the significant pressure on resources in the context of an ongoing pandemic in both demand and budgets, which has been managed through a resilient performance culture.

Risk Management

We received the year-end risk management position in our July meeting. We reviewed the corporate risk register and were provided with details of corporate and directorate risk management activity, as well as details of how Senior Management Team has overseen coronavirus and Brexit related risks and mitigations.

Treasury Management

We considered the Treasury Management Annual Report 2020/21 in September, which provided strategic and operational information in relation to the Council's borrowing and investments.

Counter-Fraud

We considered the Counter-Fraud Annual Report 2020/21 in September. It set out the counter-fraud development, campaigns, resources, work and collaboration over the year, as well as approach to fraud measurement and assurance. The report is aligned to the Counter-Fraud and Corruption Strategy, approved by Cabinet in July 2019.

Senior Officer Engagement

We meet a range of senior officers to receive information and assurance on their areas of responsibility.

Director – Governance and Legal Services

In September 2021, we received an update from Davina Fiore on the Governance and Legal Services control environment. We received:

- Background information on the structure and management of services, relevant performance details and operational context.
- An overview and details of directorate risks and the arrangements for their identification and management.
- Information on the internal audit reports received, and the progress in delivering related actions.
- Details of the wider control environment, comprising performance management, senior management assurance, external assurance and value for money.

The presentation and discussion were useful and informative, and as with any item we consider, the meeting papers are available on the Committee webpages, together with the webcast if you would like to know more.

Planned Senior Officer Engagement

We have arranged to meet with the following Directors as part of our work programme in the coming months.

Neil Hanratty, Director of Economic Development

- The Committee has arranged for an update on Governance, Internal Control and Risk Management within Waste Management:
 - The Waste Management service has typically received lower assurance ratings in internal audit reports than other areas.
 - We have also been made aware of cases where there have been employee investigations resulting from control issues.
 - We have seen an improvement in the audit assurance position in recent years and following our most recent meeting with the Director in March and a detailed confidential briefing from the Audit Manager in June 2021, we have arranged a meeting to engage with the Director further.

Andrew Gregory, Director of Planning Transport and Environment:

- We have invited the Director to provide information and assurance on the internal control environment for his areas of responsibility.
- Through the update we will be interested in the:
 - assessment and management of directorate governance and risk management.
 - value for money assurances.
 - opinions of and response to, internal and external audit, regulatory and inspection reports.

About Us & Our Work

Governance

Internal Control

Finance

Risk Management

Performance

We are made up of four Independent Lay Members & eight Councillors

- ✓ We review governance and internal controls
- ✓ We review financial reporting, control and value for money
- ✓ We review risk management
- ✓ We review the performance assessment

We receive and discuss reports and updates from a range of Managers, the Internal Audit and External Audit Teams.

[Why not watch our webcast meetings](#)