

# GOVERNANCE AND AUDIT COMMITTEE

## Minutes of the hybrid meeting held on 21 September, 2023

- PRESENT:** Mr Dilwyn Evans (Lay Member) (Chair)  
Councillor Euryrn Morris (Deputy Chair)
- Councillors Geraint Bebb, Dyfed Wyn Jones, Keith Roberts, Liz Wood.
- Lay Members: William Parry, Michael Wilson
- IN ATTENDANCE:** Director of Function (Resources) and Section 151 Officer  
Director of Function (Council Business)/Monitoring Officer (for items 3 and 4)  
Head of Internal Audit & Risk (MP)  
Head of Regulation and Economic Development (for item 5)  
Head of Housing Services (for item 3)  
Leisure Manager (for item 3)  
Corporate Information and Complaints Officer (for items 3 and 4)  
Principal Auditor (NW)  
Committee Officer (ATH)  
Webcasting Officer (FT)
- APOLOGIES:** Councillors Trefor Lloyd Hughes, MBE, Margaret Roberts, Ieuan Williams, Llinos Medi (Leader), Carys Edwards (Head of Profession (HR) and Transformation)
- ALSO PRESENT:** Councillors Carwyn Jones (Portfolio Member for Corporate Business and Customer Experience), Nicola Roberts (Portfolio Member for Planning, Public Protection & Climate Change), Robin Williams (Deputy Leader & Portfolio Member for Finance), Alan Hughes (Performance Audit Lead – Audit Wales), Yvonne Thomas (Audit Manager Financial Audit – Audit Wales), Euros Lake (Audit Wales), Elizabeth Humphrey (CIPFA), Bethan H. Owen, (Accountancy Services Manager), Bryn Owen (Senior Internal Auditor)

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The Chair welcomed everyone to the meeting and extended a particular welcome to Elizabeth Humphrey from CIPFA who was present in her capacity as independent assessor of the effectiveness of the Committee. The Chair also referred to Councillor Trefor Lloyd Hughes, MBE and Mrs Sharon Warnes, Lay Member who were absent due to indisposition and on behalf of the Committee he wished both well for a speedy recovery.

### 1. DECLARATION OF INTEREST

No declaration of interest was received.

## **2. MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting of the Governance and Audit Committee held on 27 July, 2023 were presented and were confirmed as correct.

Arising thereon – the Chair enquired whether there had been any feedback on the suggestion made at the last meeting that a dedicated programme management office be established to oversee the delivery of the Council's capital projects.

The Director of Function (Resources)/Section 151 Officer advised that he confirm with the Programme, Business Planning and Performance Manager whether the suggestion had been taken back to the Senior Leadership Team and update the Committee at its next meeting.

## **3. ANNUAL CONCERNS, COMPLAINTS AND WHISTLEBLOWING REPORT 2022/23**

The report of the Director of Function (Council Business)/Monitoring Officer setting out issues arising under the Council's Concerns and Complaints Policy along with the number of whistleblowing disclosures made under the Council's Whistleblowing Policy for the period 1 April, 2022 to 31 March, 2023 was presented for the Committee's consideration. The report included Social Services complaints but only those where the complainant was not a service user. Social Services user complaints are dealt with separately under the Social Services Policy – Representations and Complaints Procedure for Children and Adults which are reported annually to the Corporate Scrutiny Committee.

The Director of Function (Council Business)/Monitoring Officer presented the report which provided an overview of the way complaints and concerns were dealt with by the Council's services under its formal Concerns and Complaints Policy during 2022/23. The report covered the number of concerns and complaints received during the year compared to the previous year, an analysis of concerns and complaints by service including the services with the highest number of concerns and complaints and how those were accounted for, the timeliness of the response to complaints by services, complaints to the Public Services Ombudsman for Wales and their outcome and the lessons learnt from the concerns and complaints received and how those are contributing to improved practice and customer satisfaction.

The Director of Function (Council Business)/Monitoring Officer guided the Committee through the main sections of the report and highlighted the standout messages from the data collected. Overall it can be concluded that complaints regarding Elected Members, the Welsh Language (within the Concerns and Complaints Policy) and Whistleblowing are not a cause for concern and require no further specific action. The number of concerns received during the period has increased from 189 in 2021/22 to 321 in 2022/23 partly attributable to overzealous reporting by the Housing Service during the first six months of 2022/23 which included day to day requests as well as concerns as defined by the PSOW. Had the data been reported correctly it is estimated that a more accurate figure would be an increase from 189 to 236. The number of complaints has decreased from 54 in 2021/22 to 40 in 2022/23 with the highest number of complaints being in Resources (11) and Housing (10). No complaints were investigated by the PSOW during the reporting period. The time for responding to complaints continues to be an issue with performance having dropped by 5.2% compared with that in 2021/22. The information gathered for both complaints and concerns also shows a pattern of customer care / customer service deficiencies especially with regard to ongoing communications over timescales and delays.

The Committee considered the report and the following points were noted –

- That only 74.4% of complaints were answered within the required period in 2022/23 and that many of the concerns/complaints received indicate that communication has been an issue and that better communication may have prevented a concern being raised. The Committee sought assurance that lessons are being learnt and that the learning is being shared to avoid similar concerns being raised in future.

The Director of Function (Council Business)/Monitoring Officer advised that recommendation three of the report addresses in part the issues in relation to improving customer service. The information collected is now much more detailed and services are challenged on the reasons for complaints and the actions being taken to resolve the issues arising. Analysis has shown that customer service is a dominant theme in the complaints and concerns raised and it is therefore intended that customer service training be undertaken across the organisation focusing initially on those services with the most complaints/concerns/late responses and then extending the training to all public facing staff.

- An increase in the number of concerns raised against the Housing Service and the Leisure Service.

The Head of Housing Service advised that following the implementation of a new feedback function, there was over reporting in the initial phase of implementation with staff inputting day to day service requests as well as concerns as defined by the PSOW leading to a significant increase in the number of concerns recorded. Having taken those mis recorded concerns out, it is estimated that the number of concerns would have been 95, an increase of 42 on the previous year. A common concern was the lack of communication especially in relation to keeping tenants informed about delays to work on properties or work not started. The Service is working on improving communication with tenants and service users. In terms of concerns expressed about the time taken to undertake repairs and maintenance works to properties, the Service has been experiencing issues with a shortage of materials and the unavailability of skilled tradespeople which have resulted in delays in commencing work.

The Head of Regulation and Economic Development commenting on the increase in the number of concerns recorded against the Leisure Service in 2022/23 advised that it was important to set the 48 concerns received in the context of 7,000 members of the service. Many of the concerns expressed relate to customer service which may be a reflection of the inexperience of new staff who are currently undergoing training and their unfamiliarity with the standards of customer service expected. The Leisure Service Manager referred to remedial actions being taken with regard to the use of the Welsh language as part of the learning relating to customer service particularly in Amlwch and Holyhead leisure centres and also in response to specific concerns regarding the quality of swimming lessons and levels of cleanliness.

- That the increase in the number of concerns and the number of repeat concerns of a similar nature may indicate that lessons are not being sufficiently embedded within services and that the issues that prompted those concerns have not been fully addressed.

The Head of Housing Services responded as the service with the highest number of repeat concerns by saying that although the number of concerns recorded for the service has increased, it must be considered in the context of the number of tenants served by Housing Services. The focus is on improving communication with tenants as the main issue including by direct communication rather than indirectly through the customer care team.

- The channels used for communication with service users including digital and social media.

The Head of Housing Service confirmed that a range of channels is used to keep tenants informed including through a tenant newsletter and dedicated portal as well as the Tai Môn Housing Facebook page and more conventionally by e-mail and telephone for one-to-one communications.

The Director of Function (Resources)/Section 151 Officer advised the Committee of the importance of taking into consideration the increased volume of requests, enquiries and demands dealt with by services in the wake of the pandemic and with the onset of the cost-of-living crisis especially so those customer facing services and teams leading inevitably to more complaints being received.

#### **It was resolved –**

- **To note the information in the report in relation to the Council's complaints process regarding the Welsh Language (under the Concerns and Complaints Policy), complaints in relation to elected Members and the Whistleblowing Policy/Guidance.**
- **To confirm that the Governance and Audit Committee is satisfied that the report provides reasonable assurance that the Council has appropriate processes in place under its Concerns and Complaints Policy and that Council services are largely compliant with the expectations set out in the said policy.**
- **To request the Council's Leadership Team to review the Customer Service training provided to public facing staff, especially in those services with the highest number of concerns/complaints/late responses and ensures that any recommendations arising from that review are implemented. This review to take place in the context of the revised Customer Service Charter and the revised Concerns and Complaints Policy.**

#### **4. PUBLIC SERVICES OMBUDSMAN FOR WALES ANNUAL LETTER 2022/23**

The report of the Director of Function (Council Business)/Monitoring Officer incorporating the Annual Letter from the Public Services Ombudsman for Wales (PSOW) 2022/23 was presented for the Committee's consideration. Since 2006, the PSOW has published an annual report on the work undertaken by her office over the previous twelve months. The PSOW also publishes a separate annual summary of performance for each council under the cover of an annual letter.

The Director of Function (Council Business)/Monitoring Officer presented the report confirming that the Annual Letter relates only to service complaints against the Council which were lodged with the PSOW during 2022/23. The Letter also contains a section on complaints made under the Code of Conduct for Members. The key messages show that 25 service complaints were lodged with the PSOW in the year down from 29 complaints the previous year. Of those, 20 did not require an investigation by the PSOW's Office and 5 of the complaints were dealt with by way of early resolution. One Code of Conduct complaint was made against a member of the County Council but was not investigated and one complaint was also made against a Town/Community Councillor during 2022/23, but the investigation was discontinued. As a council, Anglesey's performance compares satisfactorily with that of other councils in Wales with regard to complaints and remains constant as shown in the table at Appendix A to the Letter.

In addition to requesting that the Letter be presented to the Governance and Audit Committee and the Executive and the outcome of both is shared with the PSOW's Office, the PSOW asks that the Council continues to engage with her Office's complaints standards work, accessing training for the Council's staff, fully implementing the model policy and

providing accurate and timely complaints data. The Director of Function (Council Business)/Monitoring Officer confirmed that those actions are in the process of being implemented as detailed within the report.

The Committee noted that while the number of complaints is relatively low, 24% of those complaints relate to the Council's complaints handling for which it sought an explanation.

The Director of Function (Council Business)/Monitoring Officer advised that in order to address issues with the way the Council deals with complaints and the complaints handling process itself it is proposed that a training strategy is developed and the training needs of staff and Elected Members are assessed and identified as outlined within the report. The issues with complaints handling can be about a late response, an insufficient response, not addressing all aspects of a complaint and/or a failure to fully understand a complaint hence the recommended training programme.

**It was resolved –**

- **To note and accept the Annual Letter from the Public Services Ombudsman for Wales (PSOW) 2022/23.**
- **To support the implementation of the PSOW's Model Policy.**
- **To support the development of a training strategy.**
- **To support the development of a training needs assessment and the rollout of suitable training as required.**
- **To authorise the Director of Function (Council Business)/Monitoring Officer to write to the PSOW to confirm that the Governance and Audit Committee has given formal consideration to her Annual Letter and agreed to the implementation of elements referred to in her Annual Letter.**
- **To provide assurance that the Council will continue to monitor complaints thereby providing Members with the information required to scrutinise the Council's performance.**

#### **5. EXTERNAL AUDIT: REVIEW OF DEVELOPMENT CONTROL AND PLANNING ENFORCEMENT – ISLE OF ANGLESEY COUNTY COUNCIL**

The following documentation was presented for the Committee's consideration -

- The report of Audit Wales on the Effectiveness of Local Planning Authorities in Wales was presented for information. The national review looked at all aspects of local planning authorities and assessed progress in implementing the Planning (Wales) Act 2014 and it provided context for the local review report below.
- The report of Audit Wales on its review of Development Control and Planning Enforcement at the Isle of Anglesey County Council.
- The organisational response to the recommendations of the review report by Audit Wales.

The report of Audit Wales was presented by Mr Euros Lake who advised that the national report highlights some of the challenges facing local planning authorities with regard to overstretched capacity and reducing resources that are having an impact on performance and resilience, and that these themes are replicated at local level. The review of the development control and planning service in Anglesey sought to assess how the Council is addressing these challenges within the service and whether it has an effective and resilient development control and planning enforcement service. Overall the review concluded that

the Council has strengthened the capacity and culture of its planning service but needs greater resilience to overcome future uncertainty. The review found that –

- The Council has well-established corporate arrangements to monitor and learn from past experiences and has invested in the planning service to address poor performance.
- The Council has improved capacity and morale within the service but needs to develop and retain its workforce in order to maintain this progress.
- Significant challenges risk undermining the service's resilience in the medium and long-term.

The report makes four recommendations for further improving the service including improving the Council's ability to mitigate and respond to risks, improving how it considers risks in resource planning, as well as building skills and experience within the planning service which will also help strengthen the Council's business continuity arrangements and improve resilience.

The Head of Regulation and Economic Development provided the service's response to the report and he welcomed the review as timely in light of the historical and current pressures on the service. The challenges faced by Anglesey's planning and enforcement service in relation to resources, capacity and workload are not dissimilar to those facing other planning authorities in Wales. Overall it is felt the report provides a positive evaluation of the progress being made by the planning service in Anglesey albeit that improvement journey has only begun and the service is aware that more work needs to be done. However, it is considered that the service now has robust management and leadership and has set clear priorities for the medium-term. The service accepts the recommendations of the Audit Wales review and an action plan has been agreed. The current service improvement plan will be reviewed to identify outstanding areas and priorities and a revised plan to address those areas will be produced. Work on the current plan is continuing following the disruption caused by the pandemic and although the onset of Covid led to the suspension of activity, the move to virtual working did accelerate the review of culture and practice within the service and in that respect was beneficial. Whilst the risks and concerns pertaining to the service are recorded in the wider service risk register, preparation of the improvement plan will include developing a planning specific service risk register which will be regularly updated and monitored. A skills audit will also be undertaken the output from which will feed into the service's workforce development plan. In terms of resources, the financial situation is challenging and while the service would wish to strengthen capacity it must be realistic about what can be achieved within the resources available. The service will seek to ensure that its staff receive appropriate training and development provision mindful also of the importance of retaining the expertise and specialisms currently within the service.

The Committee in considering the report referred to Exhibit 2 which showed the Council's performance against key national indicators in 2018/29 and noted that it would have been useful to have been able to see the planning service's current performance set out in a similar way benchmarked against that of other planning authorities in Wales. Views were also expressed about the proportion of planning appeals allowed with a question being raised about the importance of local planning policies and the local context in appeal decisions.

Councillor Nicola Robert, Portfolio Member of Planning, Public Protection and Climate Change advised that planning appeals is a complex area but that personally as the Portfolio Holder she was satisfied with current numbers and that work is ongoing in terms of policy interpretation from the perspective of the local planning authority and the inspectorate. Every appeal allowed is reviewed by the service to establish any differences in interpretation.

**It was resolved to note the report of Audit Wales on its review of Development Control and Planning Enforcement at the Isle of Anglesey County Council along with the organisational response to the report.**

## **6. EXTERNAL AUDIT: AUDIT WALES WORK PROGRAMME AND TIMETABLE QUARTERLY UPDATE**

The report of Audit Wales on its Work Programme and Timetable as of 30 June, 2023 was presented for the Committee's information. The report provided an update on the progress and status of Audit Wales's financial and performance audit work comprising of both planned and published studies and included the work of Estyn and Care Inspectorate Wales.

Yvonne Thomas Audit Wales Financial Audit Manager provided an overview of the progress of the financial audit work confirming that the fieldwork in respect of the audit of the Council's 2022/23 statement of accounts is still in progress and that the aim remains to complete that process by the end of November and to report back on the outcome to this Committee in early December 2023. The grant certification process has undergone change with the work on certifying the Teachers' Pension Contributions and Non-Domestic Rates grant claims now being undertaken by a central rather than local team. The fieldwork for certifying the 2022/23 Non-Domestic Rates grants return is underway and the return for Teachers' Pension Contributions for 2022/23 has now been received with the timeline being to complete both audits by the 17 and 30 November, respectively. The audit of the Housing Benefit Subsidy grant return 2020/21 is nearing completion and the draft qualification letter is with the Council for review. Once that work has been finalised any additional testing required in order to be able to complete the 2021/22 Housing Benefit Subsidy grant claim can be identified and the work progressed.

Mr Alan Hughes, Performance Audit Lead reported on the progress of the Performance Audit programme confirming that the completion of the 2022/23 programme is being prioritised along with key pieces of work from the 2023/24 programme. With regard to 2022/23 assurance and risk assessment work, the report on the use of performance information has been drafted and shared for management comment and the interviews in relation to the setting of well-being objectives audit review have been scheduled. The draft local report with regard to the Digital Thematic review is being reviewed. The 2023/24 performance audit reviews are being scoped as outlined in the report and work has begun on the assurance and risk assessment review.

The Director of Function (Resources) confirmed that the draft 2022/23 Statement of the Accounts was completed by the end of June target date which allowed the audit to commence promptly. No issues have been raised hitherto that would put the end of November completion date in doubt.

In response to a query by the Committee about the impact of the revised ISA 315 on the auditors' workload, Yvonne Thomas advised that whilst the revisions to the standard have entailed more work for auditors, additional resources have been put into the process and it is not envisaged that it will be a barrier to the planned completion of the audit at the end of November.

**It was resolved to note Audit Wales's Quarter 1 2023/24 Update on its Work Programme and Timetable.**

## **7. ANNUAL TREASURY MANAGEMENT REVIEW 2022/23**

The report of the Director of Function (Resources)/Section 151 Officer incorporating a review of treasury management activity in 2022/23 was presented for the Committee's

consideration. The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2022/23.

The report set out the following financial outcomes in the 2022/23 financial year –

- External factors including the economic context, interest rate performance and the impact of Covid-19.
- Internal factors including the performance of capital expenditure, the impact on the reserves and cash balances, risk appetite to investments, the borrowing taken by the Council and the impact on the Capital Financing Requirement.
- The Treasury Management Strategy in 2022/23 including debt management, the implementation of the new MRP policy and the Council's borrowing and investments during the year.
- Controlling Treasury Management through Prudential Indicators and how these are managed.
- Comparison of actual Prudential Indicators with the forecast at the beginning of the year
- Prospects for 2023/24 and beyond.

The Director of Function (Resources)/Section 151 Officer referred to the table at paragraph 3.1 of the report which showed the Council's actual capital expenditure for the year – one of the required prudential indicators and how this was financed. The budget was underspent by £14m which is a much-reduced slippage compared to that in previous years with the projects listed in the paragraph accounting for the underspend. The Council's reserves and cash balances are set out at paragraph 3.2 of the report and show useable reserves totalling £59.779m. There was no externalisation of borrowing in the 2022/23 financial year, instead the Council has continued to apply its internal borrowing strategy as investment rates have been below long-term borrowing rates meaning that value for money considerations would indicate that value could best be obtained by avoiding new external borrowing and using cash balances to finance new capital expenditure, or to replace maturing external debt. The table at paragraph 3.3.2 of the report show that the Council's internal borrowing position on 31 March, 2023 was £20.3m. During the year, the Council did not enter into any other short-term borrowings. An interest free loan of £1.123m was received in the year to fund capital expenditure on energy saving projects and will be repaid in instalments.

The expected investment strategy was to keep to shorter term deposits although the ability to invest out to longer periods was retained. Investments returns picked up throughout the course of 2022/23 as interest rates rose. The interest budget of £5k that was set for 2022/23 was based on the previous year's interest received. However rising interest rates provided more opportunities for investing surplus cash with average balances of £55.8m returning £0.863m at an average interest rate of 1.55%. The downside to higher interest rates is that borrowing has become more expensive. Details of all new investments in the year with their respective interest rates were provided in the table at paragraph 3.6 of the report. The strategy going forwards is to eschew investing with local authorities as the Council's cash balances are now reducing, more options are available with the banks and because of the financial uncertainty and therefore increased risk surrounding local authorities as a number of councils find themselves in financial difficulties.

The principles of the Council's treasury management strategy for 2022/23 are set out in section 4 of the report together at section 5 with a summary of the agreed prudential indicators and what they mean. Section 6 of the report analyses the difference between actual and forecast Prudential Indicators for 2022/23 and confirms that the Council complied with its legislative and regulatory requirements. This performance shows that the Council's treasury management activities are being undertaken in a controlled way to ensure the



financial security of the Council and do not place the Council at any significant financial risk in terms of unaffordable or excessive borrowing.

The Committee was pleased to note and took assurance from the Council's solid financial position and its prudent and considered approach to borrowing and investment which placed it on a stronger footing than many councils which now find themselves in difficulty due to high levels of debt having taken on significant amounts of borrowing. In discussing the report the Committee asked questions about the Council's capital expenditure specifically –

- The discrepancy between the £55m total estimated capital expenditure for 2022/23 noted at paragraph 3 of the report and the ££35.961m noted as the original total capital expenditure under the Prudential Indicators at paragraph 6.
- Whether unspent capital monies are clawed back by Welsh Government
- Whether there is sufficient feedback on the progress of capital projects to ensure the Council has sufficient cash to meet its financial commitments as they fall due.

The Director of Function (Resources)/Section 151 Officer advised that the Council's approach to treasury management has been risk averse in many respects; those councils that are now struggling financially have used their borrowing powers to invest in more high-risk ventures to generate income whilst recent market and economic conditions have meant that the expected returns have not materialised leaving those councils in a highly indebted position. The Council in Anglesey has consistently been careful in its investments and has targeted capital expenditure to priority areas where the need is greatest. It has also been prudent in the use of reserves recognising the need at times to balance budgets without recourse to reserves and to spend on items that it wants to spend on which has maintained a healthy level of reserves balance. The Council's reserves and balances are its "rainy day" funds to help it deal with emergencies and unexpected costs.

With regard to capital expenditure the figure of £35.961m is the original capital budget approved by the Council in March 2022. Added to that subsequently is slippage from the previous year which has been carried over with the approval of the Executive as well as capital grants which are awarded during the year. The capital budget at its starting point as approved by the Council changes over time and those changes are authorised by the Executive sometimes retrospectively in the case of grants that have already been accepted. The Council has been successful in ensuring that all grant funding is spent and it is only on rare occasions that unused grant monies have been returned to Welsh Government. Should a grant funded project be completed under budget then the final grant claim would reflect the fact; in the event of slippage the Council ensures that the grant funder's approval for the revised timetable is obtained so no funds are lost because the conditions of the grant offer were not adhered to. The Council's capital expenditure is monitored quarterly with a higher level of capital spend being incurred in the 2<sup>nd</sup> and 3<sup>rd</sup> quarters when weather conditions are more favourable. In terms of cash management the Council carries in the region of £10m in available cash which is enough to meet its immediate ongoing financial commitments, interest is paid on the funds the Council has in its call accounts albeit at a lower rate than were those funds invested for a fixed term.

The Committee made a general point about the complexity of financial reporting requirements which made it difficult for the Council to convey its financial position and how it spends its money in a way that is transparent and understandable to the wider public. The Director of Function (Resources)/ Section 151 Officer advised that local authority financial reporting particularly with regard to its financial statements, is subject to a number of codes of practice and regulations which determine what and how information is reported. It is hoped that through the Council's democratic process, specifically the Governance and Audit

Committee, the Executive and Full Council, elected members are able to provide Anglesey's council taxpayers with assurance that the Council is making the best use of resources.

**It was resolved –**

- **To note that the outturn figures in the report will remain provisional until the audit of the 2022/23 Statement of Accounts is completed and signed off; any resulting significant adjustments to the figures included in the report will be reported as appropriate.**
- **To note the provisional 2022/23 prudential and treasury indicators set out in the report.**
- **To note the annual treasury management report for 2022/23 and forward the report to the Executive without further comment.**

## **8. INTERNAL AUDIT UPDATE**

The report of the Head of Audit and Risk providing an update as at 3 September, 2023 on the audits completed since the previous update as at 31 March 2023 was presented for the Committee's consideration. The report also set out the current workload of Internal Audit and its priorities for the short to medium term going forward. Members of the Committee were provided under separate cover with copies of the following six pieces of assurance work completed in the period in relation to IT Service Continuity – Phishing (Follow Up) (Reasonable Assurance); IT Software Licence Management (Follow Up) (Reasonable Assurance); Fuel Cards (Reasonable Assurance); Modernising Learning Communities Programme (Strategic Risk YM5) (Reasonable Assurance); and Recovery of Council Tax, NNDR and Sundry Debs (Limited Assurance).

The Head of Audit and Risk provided an overview of the report and referred to a seventh piece of work which had been undertaken in the period in relation to the North Wales Regeneration Grant which as an investigative piece of work prompted by a referral from a member of the public, did not carry an assurance opinion. The report outlines the scope and outcome of the investigation. Regarding the Limited Assurance report in respect of the Recovery of Council Tax, NNDR and Sundry Debts, 8 issues /risks have been raised and an action plan agreed with management. Assurance has been provided that there are plans to address the issues/risks identified by January 2024. Internal Audit currently has in progress, 12 pieces of work as listed in the table at paragraph 35 of the report and is making good progress with the Annual Audit Strategy for 2023/24 along with the Counter Fraud, Bribery and Corruption Strategy for 2022-2025. A recent successful recruitment exercise means that the service is now only carrying one vacant post at Senior Auditor level due to a long-term secondment. The resulting budget savings are being used to commission additional external support.

The Director of Function (Resources)/Section 151 Officer set out the context to the Council's approach to debt management and recovery highlighting that the covid pandemic and now the cost-of-living crisis had exacerbated the situation and added to the debt burden and backlog. He described the processes available to the Council in seeking to recover Council Tax, NND and sundry debts and the limitations on those especially in the case of Council Tax where the sanction of imprisonment for non-payment has been removed or in cases of hardship or where vulnerable individuals are concerned such as with social care debts, the need to be sensitive in pursuing such cases. The Revenue Team has been re-structured to clarify debt recovery responsibilities and a review of debt recovery processes has taken place to ascertain how the service can make more effective use of information in terms of extrapolating data from the system and in better establishing the status of debts so that dormant ageing debts which are unlikely to be recovered do not remain on the system for a length of time and can be written off. Bad debts are reviewed to assess whether

circumstances have changed and the debt can be recovered and a bad debt provision is made for debts deemed as unrecoverable the arrangements for which were outlined to the Committee. The internal audit review has confirmed the position as regards the need to strengthen debt recovery processes and procedures and an action plan to that end has been formulated with some of the identified actions already being implemented.

The Head of Audit and Risk confirmed that a follow up review would take place in January, 2024 the outcome of which would be reported to this Committee.

**It was resolved to note Internal Audit's assurance provision and priorities going forward.**

## **9. OUTSTANDING ISSUES/RISKS**

The report of the Head of Audit and Risk providing an update on the status of outstanding issues/risks that Internal Audit has raised was presented for the Committee's consideration.

The report was presented by the Principal Internal Auditor who confirmed that as of 31 August 2023, 47 outstanding actions were being tracked by Internal Audit six of which were rated as major (amber) and 41 moderate (yellow) in risk priority. No red or critical issues/risks were raised during the year and none are outstanding. There are currently 5 actions that have reached their implementation date and are now overdue. Four of these (2 major and 2 moderate) relate to an audit of Teachers' Pensions which is now being revisited by Internal Audit as part of a formal follow up. The other action is rated moderate in risk priority and relates to an audit of Supplier Maintenance and Duplicate Payments an update on which is provided in paragraph 12 of the report.

In terms of all outstanding actions irrespective of their due date, Graph 3 shows that 77% have been addressed by management and 75% verified by Internal Audit. The remaining 2% relate to an audit of Galw Gofal which will be formally followed up in December 2023. Where all actions have reached their target date (Graph 4 refers) 97% have been addressed.

Whilst the majority of outstanding actions relate to the current and last two financial years, three issues/risks date back to 2018/19 and 2019/20 all of which are rated moderate or yellow in risk priority. An update on their status and progress is provided in paragraphs 21 and 22. There are no major rated issues/risks dating back further than 2021/22. Where a major rated issue/risk remains unresolved 12 months after the original completion date has passed action owners are asked to attend the Governance and Audit Committee to explain the delay in addressing the issue/risk. There are currently no major rated issues/risks to which this applies.

**It was resolved to note the Council's progress in addressing the outstanding Internal Audit Issues/Risks.**

## **10. REVIEW OF FORWARD WORK PROGRAMME**

The report of the Head of Audit and Risk incorporating the Committee's Forward Work Programme and Training Programme for 2023/24 was presented for the Committee's consideration.

The Head of Audit and Risk highlighted the items that had been re-scheduled on the work programme which included the Committee's self-assessment now to be considered at the December 2023 meeting.

**It was resolved –**

- To accept the Forward Work Programme 2023/24 as meeting the Committee's responsibilities in accordance with its terms of reference and
- To note the changes to the dates on which reports will be submitted.

**Mr Dilwyn Evans  
(Chair)**

DRAFT