

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee / County Council
Date:	29 June 2023 / 12 September 2023
Subject:	Annual Report of the Governance & Audit Committee 2022-23 – Chair’s Report
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Nature and Reason for Reporting: The Governance and Audit Committee is required to report to ‘those charged with governance’ (the County Council) an assessment of its performance on its activities during the year to demonstrate how the Committee has discharged its responsibilities. This report details the activities of the Governance and Audit Committee during 2022-23.	

1. Introduction

- 1.1. The Governance and Audit Committee is a key component of the Council’s governance framework. Its function is to provide an independent and high-level resource to support good governance and strong public financial management and to provide ‘those charged with governance’ independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes.
- 1.2. To discharge their responsibilities effectively, CIPFA guidance¹ states that audit committees should report regularly on their work to ‘those charged with governance’, and at least annually report an assessment of their performance. An annual public report should demonstrate how the committee has discharged its responsibilities. This report meets that requirement.

2. Recommendation

- 2.1. That the Governance and Audit Committee endorses the Annual Report of the Governance and Audit Committee for 2022-23 prior to its submission to the meeting of the County Council on 12 September 2023.

¹ The Chartered Institute of Public Finance and Accountancy’s [Position Statement: Audit Committees in Local Authorities and Police \(2022\)](#) and associated guidance sets out CIPFA’s view of the role and functions of an audit committee.



ANNUAL REPORT OF THE GOVERNANCE AND AUDIT COMMITTEE 2022-23 – CHAIR'S REPORT

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June 2023

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INTRODUCTION

The Governance and Audit Committee is a key component of the Council's governance framework. Its function is to provide an independent and high-level resource to support good governance and strong public financial management (3.4.8.1.1).

Its purpose is to provide full Council (*those charged with governance*) independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes (3.4.8.1.2).

It oversees internal (3.4.8.10) and external audit (3.4.8.11) and other regulators (3.4.8.13), helping to ensure effective assurance arrangements are in place. It also reviews, assesses and reports on the Authority's ability to handle complaints effectively (3.4.8.14) and makes recommendations for improvement in this area. Following the enactment of the Local Government and Elections (Wales) Act 2021, it also receives and comments upon the Council's annual self-assessment report (3.4.8.15) and the report of the performance assessment panel (3.4.8.16).

There is clear separation between the role of the Governance and Audit Committee and that of scrutiny committees. The Governance and Audit Committee role seeks assurance that internal control systems of the Council are working and risks are effectively managed, rather than the actual scrutiny of activities (3.4.8.1.3).

To discharge their responsibilities effectively, the Chartered Institute of Finance and Accountancy's (CIPFA) guidance¹ states that audit committees should report regularly on their work to 'those charged with governance', and at least annually report an assessment of their performance. An annual public report should demonstrate how the committee has discharged its responsibilities. This report meets that requirement by assessing the Committee's activities during 2022-23 against its terms of reference, incorporated within the Council's [Constitution](#)², version 2.78 updated on 25 April 2023.

¹ The Chartered Institute of Public Finance and Accountancy's [Position Statement: Audit Committees in Local Authorities and Police \(2022\)](#) and associated guidance sets out CIPFA's view of the role and functions of an audit committee.

² The relevant section of the Constitution is referenced in brackets.

COMPOSITION AND ARRANGEMENTS

Throughout the year, the Committee conducted its business non-politically and abided by the rules of political balance (3.4.8.2.1).

The Committee consisted of eight elected members and four lay members. Councillor Liz Wood took a brief leave of absence during the year. In her absence, Councillor Aled Morris Jones joined the Committee on a temporary basis. All members declared interests where appropriate (3.4.8.2.2).

The Finance Portfolio Holder is required, as far as possible, to attend all meetings of the Committee (3.4.8.2.2), and attended six out of the eight meetings of the Committee during 2022-23 ([Appendix A](#)).

As required by the Local Government and Elections (Wales) Act 2021, the Chair of the Governance and Audit Committee was a lay member and, therefore, not an elected Councillor or a member of a group that formed part of the Council's Executive (3.4.8.2.3).

Where officers have been called to attend a committee meeting at the request of the Governance and Audit Committee members, they have done so (3.4.8.2.4).

The Committee's terms of reference require it to meet a minimum of four times per year (3.4.8.2.5). The Committee met formally (hybrid meetings) on eight occasions, which included two special meetings to consider only the draft and final Statement of Accounts 2021-22 and the report of External Audit on the Financial Statements (ISA 260 Report). The attendance at meetings during 2022-23 has been good ([Appendix A](#)).

Where necessary, the Director of Function (Resources) and Section 151 Officer has provided advice to the Committee and has had direct and unfettered access to the Committee (3.4.8.2.6). During the year, the Committee commissioned work directly from the internal auditors in the form of progress reports on individual audits (3.4.8.2.7).

Neither the external nor the internal auditors requested the Chair to consider any matter that the auditors believed should be brought to the attention of the Council (3.4.8.2.8).

Existing members received ongoing training ([Appendix B](#)), reports on new legislation, professional guidance and research. A knowledge and skills survey was conducted with members of the Committee during the year, and the outcome passed to the HR Development Manager for inclusion in the 2023-24 members' training programme (3.4.8.2.9).

During 2021-22, the Committee considered and approved a fully revised terms of reference following changes made as a result of the Local Government and Elections (Wales) Act 2021. In February 2023, the Committee reviewed its current terms of reference for appropriateness and with reference to sector-specific guidance which was issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) in December 2022. As the guidance did not contain any changes that affected the Committee's existing terms of reference, the Committee resolved to approve them with no changes required.

ACCOUNTABILITY ARRANGEMENTS

This report fulfils the requirement to report to full Council (*'those charged with governance'*) on an annual basis the Audit Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions (3.4.8.3.1).

It also fulfils the requirement to report on the effectiveness of the Committee in meeting its purpose and agreed terms of reference. During 2022-23, a knowledge and skills self-assessment was conducted with individual members of the Committee to assess their own effectiveness and to identify whether there were any areas for development and training. A programme of events in response has been developed in conjunction with the HR Development Manager (3.4.8.3.2).

The Chartered Institute of Public Finance and Accountancy (CIPFA) has been commissioned to facilitate a qualitative self-assessment during 2023-24 with members of the Committee. It will also obtain feedback on the Committee's performance with those interacting with the Committee or relying on its work, including senior management, to evaluate whether and how the Committee is adding value to the organisation (3.4.8.3.2).

The Committee considered its business in public, with the exception of, where appropriate, when it met in private to consider items under Section 100 (A) (4) of the Local Government Act 1972.³ During 2022-23, the Committee considered three items in private:-

- Annual Cyber Security Report 2022 (September 2022)
- Strategic Risk Register Updates (September 2022 and February 2023)
- Internal Audit Report of 'Galw Gofal - Partnership Governance Arrangements' (February 2023)

The appropriate Public Interest Tests were presented to, and accepted by, the Committee.

³ Items under Schedule 12A, Paragraph 14: Information relating to the financial or business affairs of any particular person (including the authority holding that information) and Paragraph 18: Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

In February 2023, a query was raised by a member of the Committee on the necessity of excluding the Strategic Risk Register in its entirety from being discussed in an open session on the basis that it was deemed there were elements of the Register which were of public interest. Following the meeting, the Head of Audit and Risk sought advice from the Chief Executive and Monitoring Officer on this matter and it was agreed that going forward, the Strategic Risk Register will be discussed in open session (3.4.8.3.3).

Agendas and reports were published in accordance with statutory timeframes and were available for inspection (3.4.8.3.3).

GOVERNANCE

The Committee considered the Council's Local Code of Governance at its meeting in December 2022. The Committee noted that it was being presented following an internal review process during 2022-23 via the Performance and Governance Review Group and Leadership Team, providing assurance that the Council's governance arrangements remain robust and fit for purpose and have been implemented and applied effectively to all aspects of the Council's business (3.4.8.4.1/5).

The Committee highlighted inconsistency between the Welsh and English versions of the document and queried whether the document, which is forward looking and will apply to the period from 2023 to 2028, should have as a reference point the current Council Plan as it comes to an end in 2022. In response, the Programme, Business Planning and Performance Manager advised that the commitments set out in the document demonstrate what the Council is seeking to achieve, with the evidence that these have been fulfilled provided by the sources of assurance. The evidence in terms of the new Council Plan for 2023 to 2028 was not yet in place.

In July 2022, the Committee reviewed and assessed the Council's corporate governance arrangements during its review of the draft Annual Governance Statement (AGS) (3.4.8.4.2). The Committee commented on the improved readability and layout of the Statement but noted that a condensed version might be helpful for public consumption. The Committee also queried the overall assessment against the core principles of the Framework has remained 'Good' in consecutive years with no movement up to next level. In response, the Chief Executive advised that the categories are broad in scope and that to move up to "Excellent" would require the Council to be able to demonstrate innovative practices, which is not always easy with regards to governance.

Further, the Committee requested clarification on progress made with addressing governance matters identified during 2021-22, particularly those pertaining to new responsibilities and changes introduced by the Local Government and Elections (Wales) Act 2021. In response, the Chief Executive clarified that the Act imposes new duties and responsibilities on the Council, some of which have been implemented and others which were in progress to be completed within the current financial year.

In January 2023, the Committee received the final version of the AGS and resolved to endorse it for 2021-22 and to refer the Statement to the full Council for approval and to the Leader of the Council and the Chief Executive for their signatures (3.4.8.6.2).

The Governance and Audit Committee's Terms of Reference require it to review the governance and assurance arrangements available for significant partnerships or collaborations (3.4.8.4.6) and review the assurance available for managing partnership risks, including the risk profile of the Council as part of the partnership (3.4.8.8.1). Due to the new Council cycle, a report about significant partnerships was not available during 2022-23. In the absence of an annual report being available from the Partnership and Regeneration Scrutiny Committee, Internal Audit will undertake a piece of work to provide the Committee with this assurance during 2023-24.

TREASURY MANAGEMENT

Full Council has nominated the Governance and Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies (3.4.8.5.1). Accordingly, the Committee undertakes a scrutiny role in accordance with the CIPFA Treasury Management Code of Practice, prior to approval by full Council (3.4.8.5.2).

In September 2022, the Committee reviewed the **Annual Treasury Management Report 2021-22**, which provided an overview of the Council's borrowing and investment activities during the year and highlighted performance against the Prudential Indicators set by the Council. In considering the report, the Committee raised points including capital expenditure and the underspend on the capital budget, maintaining the Council's purchasing power and increasing yield through investment. The Committee resolved to accept the report and to forward to the next meeting of the Executive without further comment (3.4.8.5.1/2/3/4).

In December 2022, the Committee considered the mid-year review of treasury management activities and position. Following discussions around the Council's estimates for capital expenditure, causes of delays in the capital programme and security of lending and borrowing between local authorities, the Committee resolved to note and accept the mid-year review without further comment. The Committee also resolved to recommend to the Executive that the proposed change in counterparty limit to other local authorities from £5m to £10m is put forward for approval by the full Council (3.4.8.5.1/2/3/4).

In February 2023, the Committee considered the **Treasury Management Strategy Statement for 2023-24**, which incorporated the Annual Investment Strategy, the Annual Minimum Revenue Provision Policy Statement, the Treasury Management Policy Statement and the Treasury Management Scheme of Delegation (3.8.4.5.1/4).

Following discussions around practicalities of funding the capital budget, increases in external borrowing due to the Council reaching the limits of internal borrowing and future WG funding expectations and likely requirements, e.g. net zero conditions, the Committee resolved to accept and to note the Treasury Management Strategy for 2023-24 and to forward to the Executive without further comment.

VALUE FOR MONEY

The Committee supports the development of robust arrangements to ensure that the Council makes best use of its resources, and taxpayers and service users receive excellent value for money (3.4.8.6.1).

In July 2022, the Committee reviewed the Council's overall approach to value for money when reviewing the Council's draft Annual Governance Statement (3.4.8.6.2).

In April 2023, the Committee considered **Audit Wales's Annual Audit Summary 2022**, and assurances and assessments on the effectiveness of the Council's arrangements for securing value for money (3.4.8.6.3). The report informed the Committee that Audit Wales had completed work during 2021-22 to meet the Auditor General's duty to examine whether the Council had put in place arrangements to get value for money for the resources it uses. To meet this duty, Audit Wales had completed specific projects, and they relied on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate).

In assessing whether the Council had put in place arrangements to secure value for money, Audit Wales cited its work on the 2021-22 financial statements, in which the Auditor General had been able to give an unqualified true and fair opinion on the Council's financial statements.

The Auditor General also certified that the Council had met its remaining Local Government (Wales) Measure 2009 duties for the financial year 2021-22, and that the Council had made good progress developing its arrangements to meet the requirements of the Local Government and Elections (Wales) Act 2021, including drafting its first annual self-assessment (see [Self-Assessment Report](#) below). In terms of carbon reduction plans, the Auditor General acknowledged that the Council has a vision for its decarbonisation ambition but is in an early stage of its journey, with further work needed to understand its carbon footprint and the cost and carbon impact of its proposed actions.

The Committee resolved to note the Auditor General's Annual Audit Summary 2022 and assessment of whether the Council had put in place arrangements to secure value for money.

ASSURANCE FRAMEWORK

Having an overview of the Council's assurance framework supports the Committee's approval of the internal audit risk-based strategy by identifying the extent to which it relies on internal audit for its assurance requirements. The Committee also ensures clarity of what assurance is provided, that there is a clear allocation of responsibility for providing assurance and duplication is avoided (3.4.8.7.1/2).

During the year, the Committee considered assurances about [risk management](#), [internal audit](#), and the [Annual Governance Statement](#), as well as reports from the [external auditors](#).

In addition, during the year, the Committee received reports from first and second line assurance providers, as follows:-

In September 2022, the Committee received the Principal Health and Safety Officer's **Annual Corporate Health and Safety Report**. Discussion ensued around issues regarding attendance at training sessions and the ability to draw any emerging trends, patterns and./or learning points from any referrals made to the Health and Safety Executive (HSE). The Committee resolved to accept the report and endorsed the recommendation that the Council should follow the strategic plan for the management of Health and Safety and implement the Corporate Health and Safety Action Plan. However, the Committee also recommended that future Corporate Health and Safety Annual reports include data on the number of people expected to attend individual training sessions as well as the number actually attending (3.4.8.7.1).

Also in September 2022, the Committee received the **Annual ICT Cyber Security report**. The report set out the common cyber threats facing the Council and outlined the mitigating and operational controls that were in place to detect and prevent malicious activity. The Committee resolved to accept the report and to note its contents (3.4.8.7.1).

In December 2022, the Committee received a report from the Chief Executive and Climate Change Manager outlining the **Council's response to reports from both Audit Wales and Zurich Risk Engineering on climate change approach in the public sector and within Isle of Anglesey County Council**. Discussion ensued around costs of achieving the net zero target; realisation of savings from measures already taken, e.g. installation of solar panels on Council buildings; metrics to measure net zero progress; external support and expertise; and the challenges with additional investment in decarbonisation initiatives when the budget situation is expected to worsen over the next two years. On noting the assurance provided, the Committee requested that it receive a further update on progress in spring 2023 (3.4.8.7.1 / 3.4.8.13).

In February 2023, the Committee received the **Schools Data Protection Officer's report regarding the key information governance issues in relation to Anglesey's schools** for the period November 2021 to January 2023. Discussion ensued regarding the arrangements in place to follow up on the implementation of the next steps and to monitor compliance. The Committee asked about the provision of training for school staff; the role of Cwmni CELyn in providing specialist information governance and data protection advice to local authorities; and arrangements for procuring software packages for schools whilst ensuring compliance with GDPR and data protection requirements. The Committee resolved to accept the report and to endorse the Schools Data Protection Officer's proposed next steps to enable schools to fully operate in accordance with data protection requirements (3.4.8.7.1).

RISK MANAGEMENT

The Governance and Audit Committee has overseen the development and operation of risk management in the Council (3.4.8.8.1) during the year.

In September 2022, the Committee received an update on the Council's Strategic Risk Register, which highlighted changes to both the overall risk register as well as to any specific risks in terms of probability and impact following review by the Leadership Team. Discussion ensued around the seven key red / critical residual risks outlined, where the Committee accepted that some of these risks, by their nature will always exist being linked to people, assets, information technology and the wider economy but having identified, assessed, and regularly monitoring them allows the Council to manage them to an acceptable level. The Committee resolved to note the amendments made to the Strategic Risk Register.

The Committee received a similar report in February 2023 and, following discussion, resolved to note the amendments made to the Strategic Risk Register and to take assurance that the Leadership Team has recognised and is managing the risks to the achievement of the Council's priorities.

In April 2023, the Committee considered the revised Risk Management Policy and Strategy as well as the supplementary Risk Management Guidance. Following discussions around determination of risk appetite settings for different risk categories within the Risk Appetite Statement; contract risk management, particularly within the building / construction sector; and capturing lessons learned from risks that have materialised, the Committee resolved to accept the Risk Management Policy and Strategy and note their contents.

COUNTERING FRAUD AND CORRUPTION

In September 2022, the Committee received the Head of Audit and Risk's **Annual Counter Fraud, Bribery and Corruption report** for 2021-22 (3.4.8.9.4). As part of this report, the Head of Audit and Risk confirmed to the Committee current compliance rates (93%) for staff knowledge and understanding of the Whistleblowing Policy and Guidance (3.4.8.9.1).

Following discussion around the use of technology to help tackle fraud and the Council's participation in the National Fraud Initiative (NFI); Council Tax Single Person Discount fraud and the engagement of an external company to periodically analyse Single Person Discount data to identify anomalies and / or errors; the importance of educating staff about different types of fraud and the lack of current regional and local data about the extent of sector specific fraud, the Committee resolved to accept the report and to note its contents.

In December 2022, the Committee received the Head of Audit and Risk's **Counter Fraud, Bribery and Corruption Strategy 2022-25** (3.4.8.9.2/3).

The Committee engaged in discussion around the recognition that cyber risks are those which the Council is most exposed and the need, therefore, to avoid complacency on account of the size of the authority, highlighting that cyber threats are pervasive and continually evolving.

Following further discussion on the need for robust cyber-risk management arrangements in schools and the use of "detection" as a key objective for the Council's strategy for counter-fraud, the Committee resolved to note the report.

INTERNAL AUDIT

The Governance and Audit Committee has overseen the Council's internal audit arrangements (3.4.8.10.1). By reviewing the Internal Audit Strategy, the Internal Audit Annual Report and the Internal Audit Charter, and regular updates from the Head of Audit and Risk, the Committee has overseen internal audit's independence, objectivity, performance and professionalism, supported the effectiveness of the internal audit process and promoted the effective use of internal audit within the Council's assurance framework (3.4.8.10.2).

In June 2022, the Committee received the **Internal Audit Strategy 2022-23** (3.4.8.10.1/2/5/6). Following discussion around the meaning of Financial Resilience for the Council in the context of rising energy prices and materials and clarification that the focus for internal audit work in this area will be how the Council will plan ahead for the future, the Committee resolved to approve the Internal Audit Strategy for 2022-23 and to endorse the approach and priorities outlined as fulfilling the Council's assurance needs.

Also in June 2022, the Committee considered the **Annual Internal Audit Report 2021-22**, including the Head of Audit and Risk's 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, (3.4.8.10.6/7/8/9/12/14/15). The Head of Audit and Risk confirmed that it was her opinion as the 'chief audit executive' for the Isle of Anglesey County Council, that, for the 12 months ended 31 March 2022, the organisation had an adequate and effective framework for risk management, governance and internal control.

Within the report, the Committee noted that the next external quality assessment of internal audit would be undertaken during the summer via peer review by Flintshire County Council (3.4.8.10.14).

Following discussion on a range of areas, in particular staff turnover, recruitment and retention of staff and remote working, the Committee noted the report.

In December 2022, the Committee reviewed and approved the **Internal Audit Charter**, which defines the internal audit's activity, purpose, authority and responsibility (3.4.8.10.3).

Following discussion on the use of the term "customers" to define the recipients of Internal Audit's services, the Committee resolved to approve the continued appropriateness of the Internal Audit Charter and noted the safeguards put in place to limit impairments to independence and objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Audit and Risk (3.4.8.10.13).

Throughout the year, the Committee received updates on the work of internal audit including key findings, issues of concern, management responses and action in hand as a result of internal audit work (June, September, December 2022 and February and April 2023). The Committee considered summaries of specific internal audit reports as requested, including full copies of Limited Assurance reports, along with the action plan agreed with management (3.4.8.10.10).

The Committee monitored the implementation of agreed actions through the receipt of two reports, in September 2022 and April 2023 respectively (3.4.8.10.10/11). In September 2022, the Committee supported the proposal that action owners of major or amber rated issues / risks that are still not resolved 12 months after the original target date has passed, be asked to attend the Governance and Audit Committee to provide information on the reason for the delay in addressing the issue / risk.

As part of this new protocol, in April 2023, the Service Manager (Community Housing) updated the Committee on the position with regard to addressing a major or amber issue / risk identified during an audit of the Housing Allocations process. Following enquiries into timescales for the Housing Application process to be added to the Council's Customer Relationship Management (CRM) system, the Committee resolved to note the Council's progress in addressing the outstanding internal audit issues / risks.

The Committee and the Head of Audit and Risk engage effectively (3.4.8.10.16). In particular, the Chair of the Governance and Audit Committee made himself available for the Head of Audit and Risk at all times, including providing the opportunity for a private meeting with the Committee, if requested (3.4.8.10.17).

EXTERNAL AUDIT

The Committee oversees the external audit arrangements and considers the scope and depth of external audit work. In June 2022, the Committee received Audit Wales's Plan for 2021-22, which set out the work proposed to be undertaken in relation to the financial audit, the performance audit programme for the year, along with the programme of grant certification work and audit reporting timetable (3.4.8.11.1/3).

In February 2022, the Committee considered the external auditor's annual letter and ISA 260 report to *'those charged with governance'* (3.4.8.11.1/2). Following discussions around the provision for the Penhesgyn waste site; results of the revaluation of assets and the increase in value of Council dwellings; adjustments to the draft accounts and potential further improvements to the audit of the accounts; it was resolved to note the external auditor's report for its audit of the 2021-22 Financial Statements.

In April 2023, the Committee resolved to note Audit Wales's Annual Audit Summary report for 2022, which showed a summary of the outcome of each piece of work completed.

During the year, the Committee received quarterly updates (in June 2022, September 2022 and April 2023) and external audit reports, including the audit of the Housing Benefit Subsidy (June 2022); Direct Payments for Adult Social Care (September 2022); an assessment of the Council's arrangements for managing its assets and workforce (Springing Forward) (October 2022); and Public Sector Readiness for Net Zero Carbon by 2030 (December 2022).

The Committee monitored the implementation of external audit recommendations and received a report from the Head of Profession (HR) and Transformation in December 2022, setting out how the Council had responded to external audit reports regarding the Council and national reviews, and their related recommendations (3.4.8.11.3).

The Committee was not compelled to make any recommendations on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies during the year (3.4.8.11.4).

Although there is an opportunity for the Governance and Audit Committee to meet privately and separately with the external auditor, this opportunity was not exercised during the year (3.4.8.11.5).

FINANCIAL REPORTING

The Committee reviews and scrutinises the Council's financial affairs, making reports and recommendations in relation to them (3.4.8.12.1).

In July 2022 and January 2023, the Committee reviewed, prior to approval by full Council, the Authority's draft and final annual financial statements for 2021-22 respectively, including the explanatory foreword, key messages, trends, consistency with financial performance, suitability of and compliance with accounting policies and treatments and major judgmental areas (3.4.8.12.2).

In July 2022, in considering the draft financial statements, the Committee discussed a range of factors, including the increase in school balances, caused by additional grant funding from WG partly to help schools with the ongoing impact of the pandemic and partly to assist pupils catch up with missed learning during this period; the valuation of the Council's property assets, which does not include its highway network due to the challenge of accurately putting a value on highway infrastructure; and budget planning and forecasting challenges caused by late funding and the current economic situation.

Following further discussion on the pension liability and its impact on the accounts, as well as underspends on both the Council's revenue and capital budgets, the Committee resolved to note the draft unaudited main financial statements for 2021-22.

In January 2023, the Committee considered the external auditor's report to '*those charged with governance*' on issues arising from the audit of the accounts, and whether they needed to be brought to the attention of the Council (3.4.8.12.3). Following discussion (see [External Audit](#) above), the Committee resolved to note External Audit's Report on the Financial Statements for 2021-22.

COMPLAINTS HANDLING

The Committee has responsibility for reviewing and assessing the Authority's ability to handle complaints effectively (3.4.8.14.1).

In September 2022, the Committee considered the Director of Function (Council Business) / Monitoring Officer's **Annual Concerns and Complaints report for 2021-22** which set out issues arising under the Council's Concerns and Complaints Policy for the period 1 April 2021 to 31 March 2022. Following discussion around the Council's performance in complaints handling and clarification from the Director of Function (Council Business) / Monitoring Officer that the main service areas where complaints are generally received are those that affect people personally, such as Resources, Housing and Social Services; the Committee resolved to accept the report.

Also in September 2022, the Committee received the **Public Services Ombudsman for Wales (PSOW) Annual Letter 2021-22**. The document outlined the complaints standards work undertaken by the PSOW over a 12-month period as well as a summary of the Council's performance in this area. Following consideration and discussion, the Committee resolved to note and accept the Annual Letter 2021-22 and authorised 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 to provide reassurance that the Council will continue to monitor complaints and, thereby, provide Members with the information required to scrutinise the Council's performance (3.4.8.14.2).

SELF-ASSESSMENT REPORT

Each financial year, the Committee will receive from Council a draft of its self-assessment report [to be drafted in accordance with Chapter 1 of Part 6 of the Local Government and Elections (Wales) Act 2021 (performance and governance of principal councils)] (3.4.8.15.1).

In July and October 2022, the Committee considered the **draft Annual Self-Assessment Report 2021-22**, which was the Council's first corporate self-assessment report, prepared to fulfil the new duty placed on councils in Wales by the Local Government and Elections (Wales) Act 2021 to keep their performance under review (3.4.8.1.4).

The Committee welcomed the report as a positive assessment demonstrating a number of strengths. Detailed discussions ensued around use of buildings resources and the future implications of hybrid working practices; staff turnover rates; misinterpretation of an increased level of reserves in the context of the 'good' assessment rating for use of resources; potential for future internal audit appraisal of the self-assessment document; and styling and presentation of the report (3.4.8.4.4).

The Committee resolved to agree the contents of the self-assessment report for 2021-22 and recommend its consideration by full Council, subject to consideration of the above points (3.4.8.15.1/2/3/4).

PANEL PERFORMANCE ASSESSMENT

At least once during an electoral cycle a panel performance assessment will take place in the period between ordinary elections of Councillors to the Council. The Council may choose to commission more than one panel assessment in an electoral cycle, but it is not a requirement of the legislation (The Local Government and Elections (Wales) Act 2021).

The Council must make a draft of its response to the panel performance assessment available to its Governance and Audit Committee, which must then review the draft response and may make recommendations for changes to the response to the panel assessment.

A panel performance assessment was not conducted during 2022-23 (3.4.8.4.3 / 3.4.8.16).

AUDITOR GENERAL SPECIAL INSPECTION

The Auditor General may carry out a special inspection of the Council (if it considers the Council is not, or may not, be meeting its performance requirements).

Following the report being sent to the Council, as soon as reasonably practicable after receiving such report, the Council is required to make it available to the Governance and Audit Committee. The Council's draft response must be made available to, and be reviewed by, the Governance and Audit Committee. The Committee may recommend changes to the response, including the action proposed by the Council. If the Committee's recommendations are not adopted by the Council before publication, the recommendations must be included in the response along with the reasons why the Council has not made the changes recommended by the Committee (3.4.8.17.1/2/3).

The Auditor General did not carry out any special inspections of the Council during 2022-23.

APPENDIX A: FREQUENCY OF MEETINGS AND ATTENDANCE

Members	29/06/22	26/07/22	28/09/22	20/10/22	8/12/22	18/01/22	7/02/23	18/04/23	Total meetings attended
Mr Dilwyn Evans (Lay Member) (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	8
Cllr Euryrn Morris (Deputy Chair)	✓	✓	✓	✓	✓	✓	Apologies	✓	7
Cllr Geraint Bebb	✓	Apologies	✓	No	✓	✓	✓	✓	6
Cllr Neville Evans	✓	Apologies	✓	✓	✓	✓	✓	No	6
Cllr Dyfed Wyn Jones	✓	Apologies	✓	✓	Apologies	✓	Apologies	✓	5
Mr William Parry (Lay Member)	✓	✓	✓	✓	✓	No	✓	✓	7
Cllr Dafydd Roberts	✓	✓	✓	✓	✓	✓	✓	✓	8
Cllr Keith Roberts	✓	✓	✓	✓	✓	✓	✓	✓	8
Cllr Margaret M. Roberts	✓	✓	Apologies	✓	✓	✓	Apologies	✓	6
Ms Sharon Warnes (Lay Member)	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr Michael Wilson (Lay Member)	✓	✓	✓	✓	✓	No	✓	✓	7
Cllr Liz Wood	✓	✓	✓	No	Apologies	✓	No	✓	5
Cllr Aled Morris Jones (appointed for one meeting only)	-	-	-	-	-	-	✓	-	1
Cllr Robin Williams (Finance Portfolio Holder)	✓	✓	Apologies	Apologies	✓	✓	✓	✓	6
Total for Committee⁴	13	10	11	10	11	11	10	12	

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⁴ In accordance with the Committee's Terms of Reference, the Committee consists of eight elected Members and four lay members. Elected Members will not be members of the Executive, but the Finance Portfolio Holder is required, as far as possible, to attend all meetings of the Committee.

APPENDIX B: MEMBER TRAINING 2022-23

	Committee Specific				Mandatory						Total Attendance / Completion
	Induction	Financial Statements	Complaints	Treasury Management	General Data Protection Regulations (GDPR)	Cyber Awareness ⁵	Basic Safeguarding Awareness	Violence Against Women, Domestic Abuse and Sexual Violence*	Prevent*	Modern Slavery*	
Mr Dilwyn Evans (Lay Member) (Chair)	23/06/22	13/07/22	9/09/22	14/09/22	5/09/22	12/05/22		Optional	12/09/19	Optional	88%
Cllr Euryrn Morris (Deputy Chair)	23/06/22	13/07/22	9/09/22	14/09/22	12/06/22	18/05/22	20/09/22	12/06/22	12/06/22	In progress	90%
Cllr Geraint Bebb	23/06/22	13/07/22	9/09/22	Apologies	6/09/22	12/05/22	Absent	29/09/22	Not started	In progress	60%
Cllr Neville Evans	23/06/22	Apologies	9/09/22	14/09/22	6/09/22	11/05/22	20/09/22	Not started	Not started	Not started	60%
Cllr Dyfed Wyn Jones	23/06/22	13/07/22	Apologies	Absent	6/09/22	11/05/22	26/09/22	Not started	Not started	Not started	50%
Mr William Parry (Lay Member)	Apologies	Absent	9/09/22	Absent				Optional	Optional	Optional	14%
Cllr Dafydd Roberts	23/06/22	13/07/22	Absent	14/09/22	11/20/22	12/05/22	20/09/22	1/04/18	12/10/22	12/10/22	90%
Cllr Keith Roberts	23/06/22	13/07/22	9/09/22	14/09/22	7/09/22	11/05/22	20/09/22	Not started	Not started	Not started	70%
Cllr Margaret M. Roberts	23/06/22	Apologies	21/07/21	Apologies	Absent	11/05/22	20/09/22	Not started	Not started	Not started	40%
Ms Sharon Warnes (Lay Member)	23/06/22	13/07/22	9/09/22	14/09/22	25/01/20	12/05/22		Optional	Optional	Optional	86%
Mr Michael Wilson (Lay Member)	23/06/22	13/07/22	9/09/22	14/09/22	22/02/19	12/05/22		21/12/17	Optional	Optional	88%
Cllr Liz Wood	23/06/22	13/07/22	Absent	Absent	Absent	11/05/22	Absent	Not started	Not started	Not started	30%
Total	11/12 (92%)	9/12 (75%)	9/12 (75%)	7/12 (58%)	9/12 (75%)	11/12 (92%)	6/12 (50%)	4/12 (33%)	3/12 (25%)	1/12 (8%)	

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⁵ Cyber awareness formed part of introductory training for new Council cohort in May 2022

*Optional for lay members.