

No.

## GOVERNANCE AND AUDIT COMMITTEE

Minutes of a Remote Meeting held on 12<sup>th</sup> December, 2022.

The Committee agenda is available [here](#).

The Meeting recording is available [here](#).

Present: G. Chapman (Chair and Lay Member); Councillors M.J. Hooper, J.M. Norman, J. Protheroe and N.J. Wood; and M. Evans (Lay Member).

Also present: Councillor E. Williams (Cabinet Member for Social Care and Health).

### 549 ANNOUNCEMENT –

Prior to the commencement of the business of the Committee, the Chair read the following statement: “May I remind everyone present that the meeting will be live streamed as well as recorded via the internet and this recording archived for future viewing”.

### 550 APOLOGIES FOR ABSENCE –

These were received from N. Ireland (Vice-Chair and Lay Member); Councillors P. Drake and E. Goodjohn.

### 551 MINUTES –

RESOLVED – T H A T the minutes of the meeting held on 24<sup>th</sup> October, 2022 be approved as a correct record.

### 552 DECLARATIONS OF INTEREST –

No declarations of interest were received.

### 553 CORPORATE RISK REGISTER QRT 2 UPDATE (CX) –

The report provided Members with an overview of the Corporate Risk Register for Quarter 2 (April 2022-September 2022). A risk analysis was incorporated within the Corporate Risk Summary Report at Annex A. This enabled officers and Members to identify and assess trends and the cross-cutting nature of risks with the ability to drill down to the detail of risks as and when required.

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It was reported that there had been no movement in risk statuses during the second quarter of the year. In terms of direction of travel, all risks on the Register had maintained a static position over the period.

In terms of forecast direction of travel, it was anticipated that the legislative change and local government reform and integrated health and social care risks would diminish over time. The newly redefined financial fragility risk, Project Zero, information security, market fragility and demand management risks were all anticipated to maintain an upward trajectory.

With regard to information security, a more detailed consideration of that risk would be undertaken as part of a Part II discussion on the agenda.

The Chair, Mr. G. Chapman, queried whether there was any opportunity for the Committee to receive a shortened version of the Risk Register based on exceptional reporting. The Director of Corporate Resources advised that future update reports would include Annex A, while Annex B would be produced as a hyperlink within the report should any Members seek further information or clarification. That approach was agreed by the Committee.

Subsequently, it was

RESOLVED –

(1) T H A T the Quarter 2 position of corporate risks (April 2022-September 2022) as outlined in the Risk Summary Report (Annex A) be noted.

(2) T H A T it be recommend to Cabinet that the reframing of the Reshaping risk to a financial fragility risk on the Register be agreed.

(3) T H A T any other comments be referred to Cabinet for their consideration and endorsement at the meeting for Cabinet to consider the Corporate Risk Register for Quarter 2.

(4) T H A T for future Risk Register reports, the Governance and Audit Committee receives a shortened update based on the summary at Annex A, with Annex B available to Members via the Council's website.

#### Reasons for decisions

(1&2) Having regard to the contents of the report and discussions at the meeting.

(3) To ensure Cabinet receives the comments of the Governance and Audit Committee to consider the Quarter 2 risk position.

(4) So that the Committee receives a summary update based on exceptional reporting.

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## 554 WHISTLEBLOWING: STAFF SURVEY RESULTS AND ANNUAL REPORT (MO/HLDS) –

The Council reviewed its Whistleblowing Policy (“the Policy”) in 2019 and the revised Policy was endorsed by Audit Committee on 3<sup>rd</sup> February, 2020.

The key purpose of the Policy was to inform how to whistleblow, the types of matters to be reported and to outline the protection for those that whistleblow.

During 2021/22, 1 incident was reported (in comparison to 4 incidents in 2020/21), which was below the rolling 7-year average of 3.28 per annum. On closer inspection the 2021/22 incident fell outside of the Policy and was progressed as a grievance. During 2022/23 to date, 7 potential Whistleblowing incidents had been reported. 1 incident was not upheld, 1 was currently under investigation and 5 were not covered by the Policy and were considered under other Council Policies such as the Grievance Policy.

Of the 23 incidents reported over the past 7 years, Learning and Skills Directorate showed the lowest number at 3, Environment and Housing Directorate had the highest number of reported incidents at 9.

Separate from the Policy and during 2021/22 the Council received 358 corporate complaints from members of the public, 50 under the Social Services Complaints Procedure (Wales) Regulation 2014, 1 complaint from the Welsh Language Commissioner and 61 referred from the Public Services Ombudsman for Wales. These complaints were analysed in a separate Annual Corporate Complaints and Compliments Report.

In June 2022 the Council launched the Speak Out Hub on Staffnet. The Hub acted as a single point of access for staff to gain information about the Policy and included an online form which allowed staff to quickly and easily report issues. This was supported by a confidential Speak Out Line telephone service which provided a confidential way for staff to report issues and concerns covered by the Policy.

Following an internal promotional campaign during Quarter 1 of 2022, a staff survey was undertaken to assess staff awareness of the Policy. The survey used the same type of questions as the last survey undertaken in 2018 to allow comparison. Surveys were not undertaken during the Covid Pandemic. A total of 323 staff responded to the 2022 survey from 21 Service Areas. The survey results indicated that more promotional work was required to ensure that staff were aware of the Policy, with 75% of respondents stating that they had heard of the Policy, down from 91% in 2018. 68% of all respondents could identify all 10 key areas of malpractice referred to in the Policy, with only 1% not able to identify any areas. This indicated that although 25% of staff reported that they were not aware of the Policy, a high number of staff recognised actions which would be defined as malpractice and were a risk to the Council and residents. Only 58% of respondents stated that they were willing to report concerns, a drop from 67% in 2018. Where staff were aware of the legal protections afforded to them, the percentage willing to report issues under the Policy rose to 72%. Where respondents gave reasons why they would not be willing to report whistleblowing incidents, a fear of potential consequences for themselves

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emerged as a clear theme. A full analysis of survey responses was provided in Appendix D to the report.

As a result of the survey results awareness raising sessions would be added to Directorate and Team meeting agendas across the Council and to assist with consistency of message an executive summary of the Policy would be provided to Managers / Supervisors; also a targeted promotional mini campaign would be undertaken in the New Year focusing on the protection afforded to whistleblowers and the options for reporting. This would be in addition to the annual promotion campaign of awareness of the Policy and the legal protections afforded to whistleblowers in order to increase staff willingness to report issues.

Annual staff surveys would be undertaken to track progress in these area, with results reported to Governance and Audit Committee.

As part of the Head of Human Resources and Organisational Development review of the Policy it was recommended that the points raised in paragraph 2.22 of the report be addressed and endorsed by Governance and Audit Committee and referred to Cabinet for consideration.

Councillor M. Hooper referred to the staff survey and the low response rate, commenting that there was a concern for the Council to consider what the difference was for people's current working environment as to what it was previously. He added that internal marketing was very one-dimensional, mainly screen based through iDev and emails, so the Council may need to consider other forms of communication on a wider basis. In reply, the Monitoring Officer/Head of Legal and Democratic Services advised that she would be suggesting to the Council's Senior Leadership Team for whistleblowing to be on agendas of Team meetings. The Chair stated that that could be something for the Committee to formally recommend to the Chief Executive. In addition, the Head of Human Resources and Organisational Development commented that some of the anecdotal evidence had shown that there were challenges around staff replying to surveys and this had come out following engagement with Trade Union colleagues.

Mr. M. Evans commented that two thirds of staff were reporting whistleblowing issues directly to their line managers which was the opposite to what he had been used to. Mr. Evans wondered whether the Council was missing something in relation to issues being reported but not necessarily captured, particularly around awareness and training and how that was filtered down by line managers. The Monitoring Officer/Head of Legal and Democratic Services in reply, advised that there were quarterly whistleblowing meetings with colleagues across the Council to make sure that all issues were being captured. The Council could never be complacent, which was why it was important to reinforce to staff the importance of the Whistleblowing Policy.

Mr. Evans also commented around evidence to investigate suspected fraud, and he felt it was important to recognise that whistleblowing could be a lot wider than that which should be considered as part of the future review. In being invited to reply, the Head of the Regional Internal Audit Service advised that in the Policy on page seven, there was some reassurance provided on the range of issues that could be

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reported. The Policy also indicated that it did not replace the safeguarding avenues and other related matters that also had to be dealt with.

Councillor Hooper commented on the use of statistics, stating that he would like to know the number of staff survey participants by service area. In reply, the Monitoring Officer/Head of Legal and Democratic Services stated that a more detailed drill down of the information would be undertaken for the quarterly update work which would identify those service areas with a low response rate.

The Chair, Mr. G. Chapman agreed with Councillor Hooper around the use of statistics and percentages and so a consistent approach was needed, particularly in relation to what issues came under the Whistleblowing Policy or what was deemed a grievance covered as a disciplinary matter. In response, the Monitoring Officer/Head of Legal and Democratic Services outlined that at the early stages, confidential information would be shared with her through the Operational Manager for Customer Relations. That information would include details of how each matter was recorded, as well as those which had been flagged up as a whistleblowing notification. Therefore, a final decision would rest with her as the Council's Monitoring Officer. The Monitoring Officer/Head of Legal and Democratic Services advised that there was a right to appeal under the Council's disciplinary process, but there wasn't a right under the Whistleblowing Policy. However, that was something which could be considered as part of the upcoming review.

The Chair queried if the staff survey had been sent out to all schools. The Head of Human Resources and Organisational Development advised that it was important to recognise that not all schools in the Vale had adopted the Council's Whistleblowing Policy, with some having adopted their own. Information regarding those schools that had adopted the Council's Policy had been requested from Education staff, and this would be shared with members of the Governance and Audit Committee when it was collated.

Subsequently, the Committee

RESOLVED –

- (1) T H A T the contents of the report be noted.
- (2) T H A T the Governance and Audit Committee continue to receive annual reports in relation to promotion of the Policy, whistleblowing incidents reported and the outcome of the planned 2023/24 Survey.
- (3) T H A T the proposed areas for revision of the existing Policy as detailed in paragraph 2.22 of the report be noted and endorsed and the same referred to Cabinet for consideration as part of the annual review of the Policy.
- (4) T H A T the Chief Executive be requested to ensure that whistleblowing is placed on all Directorate agenda meetings, Head of Service meetings and Team meetings.

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### Reasons for decisions

- (1&2) Having regard to the contents of the report and discussions at the meeting.
- (3) For consideration as part of the annual review of the Policy undertaken by the Head of Human Resources and Organisational Development.
- (4) To maintain and increase awareness of the Council's Whistleblowing Policy.

### 555 AUDIT WALES: VALE OF GLAMORGAN COUNCIL ASSURANCE AND RISK ASSESSMENT (ARA) REVIEW 2021/22 AND THE AUDITOR GENERAL FOR WALES NATIONAL STUDY REPORT ON PUBLIC SECTOR CARBON READINESS FOR NET ZERO BY 2030 (DCR) –

The report (appended at Appendix A) summarised Audit Wales's findings from its Assurance and Risk Assessment review of the Council for the audit period 2021/22.

Focusing on the Council's financial position, implementation of the Local Government and Elections (Wales) Act 2021 (including self-assessment arrangements) and carbon reduction plans, the review had helped to identify the level of audit assurance and/or where further audit work may be required in future years in relation to Council risks. The Review had also helped to assess the extent to which the Council was applying the sustainable development principle in taking steps to meet its Well-being Objectives.

The Review concluded the following

- The Council remained well-placed to maintain its financial resilience, had increased its usable reserves but needed to determine how it would meet its budget gap over the medium term;
- The Council was taking appropriate steps to respond to the requirements of the Local Government and Elections (Wales) Act 2021;
- The Council was taking forward its plans to meet the challenge of achieving net zero carbon emissions by 2030 but recognised that further work was needed in terms of resourcing its plans.

One recommendation had been made:

R1: In order to meet its net zero ambition the Council needed to fully cost its action plan and ensure that it was aligned with its Medium-Term Financial Plan.

In line with a commitment to carry out a long-term programme of work on climate change, the Auditor General for Wales in July 2022 published a report on Public Sector Carbon Readiness for Net Zero by 2030, which was attached at Appendix B to the report. Informed by 48 public bodies (including the Vale of Glamorgan Council and Welsh Government) completing a call for evidence, the report set out five calls for action to tackle the common barriers to decarbonisation in the public sector. Whilst no specific recommendations were made, public sector bodies were

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encouraged to consider the report and to set out publicly how they intended to respond to the calls for action.

The Council's Project Zero Programme team had reviewed the report and findings. In response to the recommendation made in Appendix A, work to cost individual delivery schemes as well as developing the data and insight needed to help understand the overall financial costs including affordability to deliver on the Project Zero action plan commitments was underway. This work would take time to complete given the need to also consider potential sources of funding / financial streams to ensure the Council was leveraging in the funding needed alongside its revenue and capital budgets to deliver the Project Zero Challenge Plan over the medium to long-term. This work would also enable the Council to address the above Audit Wales recommendation, to fully cost the Project Zero action plan and ensure it was aligned with the Medium Term Financial Plan. Members would be updated on progress in relation to this work in due course and would note references to the delivery of this corporate commitment in the recently revised Medium Term Financial Plan.

Governance and Audit Committee were requested to note the findings of Audit Wales's Assurance and Risk Assessment review of the Vale of Glamorgan Council for the audit year 2021/22 and following consideration, refer the report to Corporate Performance and Resources Scrutiny Committee with any recommendations / comments of the Committee referred to Cabinet thereafter for their oversight.

Governance and Audit Committee were also requested to review the contents of the appended Public Sector Readiness for Net Zero Carbon by 2030 National Study report and the Council's response and upon consideration, to refer the report to the Environment and Regeneration Scrutiny Committee and Corporate Performance and Resources Scrutiny Committee with any recommendations / comments referred to Cabinet thereafter for their consideration and endorsement of the proposed actions to address the recommendation and the National Study.

Councillor M. Hooper referred to Net Zero and there being a lot mentioned around costs. One thing that he expected to see was more in relation to politics and encouraging people to change behaviours as there was likely to be a big impact on lifestyles. Therefore, the Council needed to be brave in how it met future challenges. In reply, the Director of Corporate Resources stated that the national study undertaken by Audit Wales had provided some useful insights into community leadership and also internal leadership of this agenda within the Council. Project Zero was not just about technical decarbonisation and energy reduction, but it also outlined the Council's response around leadership and behaviour change in the first set of challenges in the Plan. These were up and centre in terms of the Council's plans and as always would be a key part of decision making.

Councillor J. Protheroe stated that to achieve Net Zero, the most important aspect for the Council was leadership. Climate change was not going to wait for the financial challenges of the Council to improve, and so leadership and decisions came down to every single employee of the Council to change behaviours and what the Council spends its money on. Councillor Protheroe went on to query how would the Council capture data and monitor / benchmark progress, adding that the circular economy was a good place to start. In reply, the Director of Corporate Resources

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advised that it was accepted that measuring success was not an exact science, but he was looking at how information could be provided. The direction of travel for emissions was straightforward as the Council had a suite of measures already in place, for example, the level of emissions from its fleet of vehicles. The supply chain and how the Council purchased goods and services, was where the vast majority of carbon emissions existed, so at the moment, the Welsh Government framework used proxy indicators for the amount of emissions. That and emissions generated through certain activities like domiciliary care for example, was something that the Council was currently looking at. The Director added that the Council's new Procurement Strategy focused on issues which would be designed into the process at the very beginning before the Council even went out to procure.

The Chair, Mr. G. Chapman, referred to the current financial climate facing Councils and the upcoming challenges likely to come from the upcoming budget settlement from Welsh Government. The Chair queried whether the long term financial challenges facing Councils was something that Audit Wales took into consideration as part of its Audit review work. In response, Mr. I. Phillips (Audit Wales) advised that it was not Audit Wales's role to dictate policy, but there was a national drive to work to set of goals for 2030. He took on board the comments about the financial pressures which ultimately came down to the Council having to prioritise what it spent its money on, and what were its key challenges. The work of Audit Wales was not about putting pressure onto Councils but related to the progress made in executing their goals and objectives.

Mr. I. Phillips added that Audit Wales had undertaken a succession of financial sustainability reviews, which were on the tail end of austerity. This work was further impacted by Covid and the pandemic, which meant that Audit Wales tried to be sensitive to the needs of Councils, and so review work was paused and pushed back. Audit Wales were therefore acutely conscious of the difficulties with the competing financial demands.

Subsequently, it was

RESOLVED –

(1) T H A T the contents of the Vale of Glamorgan Council Assurance and Risk Assessment Review 2021/22 be noted, and the report referred Corporate Performance and Resources Scrutiny Committee with any recommendations / comments of that Scrutiny Committee referred to Cabinet thereafter.

(2) T H A T the contents of the appended Public Sector Readiness for Net Zero Carbon by 2030 National Report and the Council's response be noted, and the report referred to the Environment and Regeneration Scrutiny Committee and Corporate Performance and Resources Scrutiny Committee with any recommendations / comments referred to Cabinet thereafter for their consideration and endorsement of the proposed actions to address the recommendation and the National Study.

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Reason for decisions

(1&2) Having regard to the contents of the report and discussions at the meeting.

556 GOVERNANCE AND AUDIT COMMITTEE SELF-ASSESSMENT OF KNOWLEDGE AND SKILLS (HRIAS) –

Establishing a training programme and ongoing support for Governance and Audit Committee Members was essential to ensure that they could confidently and effectively discharge their responsibilities.

A self-assessment questionnaire, based on the CIPFA publication “Audit Committees – Practical Guidance for Local Authorities & Police”, was circulated to Members of the Committee in order to assess the existing skills, knowledge and areas of expertise of Members and to identify any gaps or training requirements.

89% of responses from Members of the Committee indicated that their level of knowledge and experience across the 10 statements, as shown in Appendix A to the report, was good or satisfactory. The areas where little knowledge or experience was indicated as highest were Complaints Handling and Council Performance Self-Assessment.

The results indicated that Governance and Audit Committee Members had an overall sound base of knowledge and experience in the areas of responsibility for this Committee

The questionnaire also asked Governance and Audit Committee Members to indicate what knowledge and skills they had which would add value to the work of the Committee. The information received indicated that there was experience and knowledge, at varying levels, across all key areas.

This information could now be used to inform the compilation of a programme of learning and development for the Governance and Audit Committee.

Having considered the report, it was

RESOLVED – T H A T the self-assessment questionnaire feedback information be noted and the learning and development areas be raised by Committee members when needed.

Reason for decision

To support the ongoing development and effectiveness of the Governance and Audit Committee in line with its terms of reference.

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## 557 UPDATED FORWARD WORK PROGRAMME (HRIAS) –

In order to assist the Governance and Audit Committee in ensuring that due consideration had been given by the Committee to all aspects of their core functions, the Forward Work Programme, appended to the report at Appendix A, had been produced and was aligned to the Committee's Terms of Reference.

The Forward Work Programme had been updated to reflect changes required to the Committee's Terms of Reference under the new Local Government and Elections (Wales) Act and to include items previously requested by Members of the Committee.

Members of the Committee noted that the Audited Statement of Accounts and Annual Governance Statement which were due in the October meeting were still outstanding. These items had not been rescheduled in Appendix A as the timescale was unknown. The Committee was advised that an extraordinary or special meeting would likely be scheduled for some time during January 2023, in order to consider the Council's Annual Statement of Accounts.

Updated guidance had recently been published by CIPFA relating to the role of Audit Committees, primarily focusing on England. Some reference was made to the additional responsibilities of Governance and Audit Committees in Wales, but the supporting checklists did not reflect these requirements. It was also suggested that the assessment was done at year end. Therefore it was proposed that the Governance and Audit Committee Self-Assessment be deferred to the April 2023 meeting to allow time for the documentation to be updated and the exercise to be undertaken.

The Committee was asked to note the Forward Work Programme and indicate whether any additional information was required.

With regard to the meeting scheduled for February, the Committee queried whether there was enough time for all business to be concluded. It was noted that prior to the Committee meeting commencing at 6pm, a workshop would be held on the Council's Treasury Management Strategy.

Subsequently, the Committee

RESOLVED –

- (1) T H A T the Forward Work Programme be noted.
- (2) T H A T the schedule of items for the next meeting, 27<sup>th</sup> February 2023, be endorsed.

### Reason for decisions

(1&2) To ensure the Governance and Audit Committee is aware and informed of progress on the proposed Work Programme.

558 EXCLUSION OF PRESS AND PUBLIC –

RESOLVED – T H A T under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part 4 of Schedule 12A (as amended) of the Act, the relevant paragraphs of the Schedule being referred to in brackets after the minute heading.

559 AUDIT WALES NATIONAL STUDY: LEARNING FROM CYBER-ATTACKS (CX) (EXEMPT INFORMATION – PARAGRAPH 18) –

The report advised Members of the findings of Audit Wales's National Study which looked at the learning from recent cyber-attacks on organisations that had been the victims of cyber incidents.

The Committee noted that the Audit Wales Report contained exhibits numbered two to eight. These highlighted areas of work and challenges, so the Committee recommended that the Council should devise an action plan in response to the actions raised by Audit Wales.

It was

RESOLVED –

- (1) T H A T the approach to mitigating the corporate information security risk be noted.
- (2) T H A T an action plan be developed in order to respond to questions and challenges posed in exhibits 2 to 8 of the Audit Wales National Study: Learning from Cyber-Attacks report.
- (3) T H A T the Audit Wales National Study be referred to Cabinet for its consideration as a Part II item.

Reason for decisions

- (1-3) Having regard to the contents of the report and discussions at the meeting.