

GOVERNANCE AND AUDIT COMMITTEE

Minutes of a Hybrid meeting held on 17th June, 2024.

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

The recording of the meeting is available [here](#).

Present: G. Chapman (Chair and Lay Member); N. Ireland (Vice-Chair and Lay Member); Councillors P. Drake, E. Goodjohn, 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).

125 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.”

126 MINUTES –

RESOLVED – T H A T the minutes of the meeting held on 20th May, 2024 be approved as a correct record.

127 DECLARATIONS OF INTEREST –

No declarations of interest were received.

128 USE OF PERFORMANCE INFORMATION: SERVICE USER PERSPECTIVE AND OUTCOMES – VALE OF GLAMORGAN COUNCIL (REF) –

The reference from Corporate Performance and Resources Scrutiny Committee on 22nd May, 2024 was presented.

As part of the Council’s annual audit work programme for 2023, the Auditor General for Wales undertook a review of the Council’s Use of Performance Information: Service User Perspective and Outcomes.

The purpose of the review was to help fulfil the Auditor General’s duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 15 of the Well-being of Future Generations (Wales) Act 2015. This review had been carried out across all Welsh authorities and with a focus on seeking assurance

that the performance information the Council provided to senior officers and Elected Members enabled them to understand the service user perspective and the outcome of its activities; that this information formed part of the Council's arrangements to secure value for money in the use of its resources and its application of the sustainable development principle; and to identify opportunities for the Council to strengthen its arrangements.

The findings of the review (attached at Appendix A to the report) were as follows:

- The Council's performance information provided senior leaders with a limited understanding of the service user perspective and the outcomes of the Council's activities;
- The performance information provided to senior leaders provided them with some insight into the perspective of service users, but this was not consistent across all services;
- The performance information provided to senior leaders did not enable them to have a comprehensive understanding of the outcomes of the Council's actions.

The Council had arrangements in place to ensure that its performance information was accurate.

As information provided on outcomes and the perspective of service users was limited, the extent to which the Council could use this information to help it achieve its outcomes was also limited.

The Council had identified that it needed to engage more with service users but had not determined how this would shape the information provided to senior leaders to ensure it was appropriate and relevant.

Two recommendations had been made to the strengthen Council's approach.

- R1: Information on the perspective of the service user – The Council should strengthen the information it provided to its senior leaders to enable them to understand how well services and policies were meeting the needs of service users.
- R2: Outcomes information – The Council should strengthen the information provided to senior leaders to help them evaluate whether the Council was delivering its objectives and intended outcomes.

In response to the recommendations, the Director of Corporate Resources had developed an action plan which would be progressed by the Council. This was attached at Appendix B to the report.

In line with the Council's performance monitoring arrangements, progress against regulatory improvement areas would be monitored via the Strategic Insight Board Insight Tracker. All Scrutiny Committees would continue to be informed of progress against our regulatory improvement areas through quarterly performance monitoring arrangements. This would be supplemented with a 6 monthly and annual review of regulatory progress, which would be reported to the Governance

and Audit Committee and Cabinet for final oversight. Progress would also be monitored by Audit Wales as part of the Council's annual audit work programme.

Mr. N. Ireland (Lay Member) stated that it was good to see the Council looking at outcomes rather than outputs, and he queried whether there would be ongoing support or training for staff around that. Mr. Ireland also queried whether there would be independent checks on an ongoing basis assessing whether recommendations had been achieved. In reply, the Director of Corporate Resources stated that in terms of actions changing from outputs to outcomes, that was a different way of thinking for staff and the Council was grateful to the office of the Future Generations Commissioner who had provided a lot of support in terms of the process. The Commissioner had also provided a useful training session around what the framework should look like. The first part of the process was to engage with a wide variety of stakeholders including the public and Elected Members to identify the main objectives and to consider what the outcomes for citizens should be. The Council would also need to consider how the objectives and outcomes would be monitored, and so, there would be training and support for Elected Members as well as members of the Governance and Audit Committee.

Councillor M. Hooper commented that one of the issues that needed to be considered further had been highlighted through the Let's Talk Survey and some of the perceived issues with the Council raised by residents. Councillor Hooper stated that in terms of public engagement, the Council needed to carry out more detailed analysis and insights of public responses so that it could better understand and get behind the issues being raised, particularly as budgets were getting tighter. In response, the Director stated that the Let's Talk Survey was the first piece of engagement with residents about their issues and perceptions of Council services. That was something that the Council was taking seriously and was being considered by a range of Committees and forums. An example of that was Project Zero and making sure that knowledge and understanding of that was spread throughout the organisation. Therefore, the purpose of the Let's Talk Survey was to share information throughout the Council as far as possible. In addition, there was the Place Making work and work through the Public Services Board which allowed the Council to understand the experiences and perceptions of different residents and to respond when appropriate.

Councillor J. Protheroe agreed with the comments made by Councillor Hooper, and she highlighted that the questions posed to residents were usually observational and did not allow for a deeper dive. Therefore, more insight work would be welcomed.

Mr. G. Chapman (Chair and Lay Member) stated that there was a lot of information in reports presented to Committees and not just the Governance and Audit Committee, such as the Complaints report and the Leisure report which contained a significant amount of performance and non-performance data. In addition, there were complaints to Councillors from residents which were not fully recorded, and which contained a lot of knowledge and information. The Chair also commented that he agreed with Councillor Hooper and how open and how well the Council knew itself was a key point to understand the issues being raised by

residents. The Scrutiny Committees would be able to assist the Council in identifying areas for improvement, particularly in relation to the current budget situation. In response, the Director commented that how well the Council knew itself was the main the reason for running the Let's Talk Survey. From that, the Council was taking on board the feedback across the whole range of questions. that the people had fed back. The Director added that recently within the performance reports to the Scrutiny Committees, an areas of improvement or concerns section had been included. That meant that there was a mechanism to highlight issues with members.

Councillor E. Goodjohn commented that the Vale of Glamorgan Council was a very large institution and there were departments which required support in terms of evaluating performance and engaging with the public. Therefore, the Council needed to reflect how specific departments undertook public engagement to ensure they were all the same standard and the same level. The Director stated that it had been recognised that there were different approaches in different parts of the Council, and it was now important to reflect on what residents had told the Council. It was also important to reframe how the Council engaged with residents particularly as there were significant budgetary pressures which were impacting on services and Council priorities.

Subsequently, it was

RESOLVED –

(1) T H A T the findings arising from the Review of the Council's Use of Performance Information: Service User Perspective and Outcomes (attached at Appendix A to the report) and the response to the review findings and Audit Wales' recommendations (attached at Appendix B to the report), be noted.

(2) T H A T the comments of the Governance and Audit Committee be referred to Cabinet. The comments relating to:

- That in terms of public engagement for the Council to carry out more detailed insights of responses received in order to better understand issues being raised by residents.
- For the Council to consider bringing together information from other reports and Council activities such as Corporate Complaints and complaints to Councillors which is a source of information that would be useful in order to understand the views and experiences of residents.
- For the Scrutiny Committees to have a greater role in terms of identifying ways to improve the Council's performance and services.
- For the Council to reflect on how public engagement and consultation is carried out by each individual Council department to ensure there are the same standards and level of engagement.

Reasons for decisions

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

(2) In order to advise Cabinet of the views of the Governance and Audit Committee.

129 DEVELOPMENT OF THE CORPORATE PLAN 2025-2030, PANEL PERFORMANCE ASSESSMENT AND ANNUAL PERFORMANCE CALENDAR 2024/25 (REF) –

The reference from Cabinet on 6th June, 2024 was presented.

The report presented the Vale of Glamorgan Annual Performance Calendar for 2024/25 which outlined the activities that would be subject to consideration by Members throughout the year. The report also outlined how it was proposed to engage with Elected Members in shaping the processes, key plans and reports aligned to the Annual Performance Calendar to enable the performance requirements of the Local Government and Elections (Wales) Act 2021 (LG&E Act) to be met and contributed to the national goals of the Well-being of Future Generations (Wales) Act 2015 (WCFG Act).

This year there were two additional aspects of the Performance Calendar that required consideration – the development of a new Corporate Plan and the arrangements for undertaking a Panel Performance Assessment (PPA).

The report set out the approach being taken to develop the new five year Corporate Plan 2025-2030 which would be published in April 2025. Work on a new Corporate Plan would include the development of new Well-being Objectives and a more outcome focused approach.

The report detailed the scope and indicative timetable for undertaking the Council's Panel Performance Assessment (PPA) in Autumn 2024. Introduced by the LG&E Act, the purpose of the PPA was to provide independent, external challenge to help inform the Council's improvement journey by building on its own annual self-assessment. The PPA would assess the extent to which the Council was meeting the performance requirements (that was, exercising its functions effectively, using its resources economically, efficiently and effectively and exercising good governance) and also presented the opportunity to consider work being undertaken as part of the development of the Corporate Plan 2025-30. It was proposed that the focus for the PPA concentrated on the changes being made and the approach being taken to deliver what was needed to make it more outcome and future focused and to increase the organisation's resilience.

The key findings and learning from the review of last year's Annual Self-Assessment approach were also detailed within the report as were proposals to further enhance the process in readiness for the 2023/24 self-assessment.

The Council's self-assessment covering the period 2023/24 would be published in December 2024. This timeline aligned with existing performance management arrangements and would enable key performance and governance related insights

to be brought together throughout the year into a summary judgement on how well the Council was meeting the performance requirements of the LG&E Act.

Appendix A to the report contained information regarding the rolling programme of collaborative work with Members throughout the 2024/25 Annual Performance Calendar to develop their skills and knowledge and strengthen their involvement in shaping and refining the key plans, reports and processes that would support them in their key role of assessing whether the Council was achieving its Well-being Objectives, delivering value for money and improving the well-being of its citizens.

Councillor E. Goodjohn stated that Project Zero needed to be at the centre of the new Corporate Plan as at the key target date of 2030 was only five years away. In addition, the Corporate Plan needed to contain specific targets which could be easily assessed as a success or a failure. Finally, Councillor Goodjohn asked whether there could be greater engagement with Councillors around development of the new Corporate Plan. In reply, the Director of Corporate Resources stated that Project Zero would be one of the key strategic issues which would be linked throughout the new Corporate Plan to other elements. In terms of setting targets there would be discussions around outcomes, and it was important for the Council to consider what the outcomes should be and how would those be achieved. Engagement with Elected Members would be undertaken on a regular basis as would engagement events with the Council's key stakeholders.

Mr. G. Chapman (Chair and Lay Member) commented that in some ways a shorter-term Corporate Plan over one to two years may be better given the Council would not know its financial position over five years. Therefore, the Council's targets and objectives should reflect the budget position on the basis that the budgets were set on a year by year basis. In reply, the Director of Corporate Resources stated that the thinking of developing a five year Plan was in conjunction with the Council's Annual Delivery Plan and the process around that was considered sound. However, there could be scope to reconsider how Service Plans were delivered and whether five Directorate Plans would be more appropriate. Further discussion and consideration on the mechanisms around reporting the delivery of outcomes and actions was ongoing. The Director clarified that members of the Governance and Audit Committee would be consulted as part of the 8 week consultation.

Councillor Goodjohn commented that the new Corporate Plan needed to take into account the Council's Risk Register, and he stated that a five year Plan was a better option as was long term thinking.

Councillor M. Hooper stated that the need to achieve net zero had been set for 2030 and he wanted the Corporate Plan to be more agile and less prescriptive which allowed the Council to be receptive to change and any emerging risks. In response, the Director stated that defining resilience versus agilities was very interesting, and one of the current proposals was having a smaller and simpler corporate plan focusing on a smaller set of priorities. Such an approach would also give the Council more adaptability.

There being no further comments or queries, the Committee

RESOLVED – T H A T the views of the Governance and Audit Committee be referred to Cabinet. The views being:

- For the role of Scrutiny to be highlighted in terms of developing a new Corporate Plan, in particular the arrangements for assessing performance against the Plan.
- For Project Zero to be a central part of the new Corporate Plan.
- The need to have specific targets which could be easily assessed as being a success or failure.
- For there to be engagement activity with Elected Members around the development of the new Corporate Plan.
- For the targets and objectives to reflect the Council's budget position and the fact that the Council's budgets are set on a year by year basis.
- For the Council's corporate risks to be considered as part of developing the new Corporate Plan.
- As the 2030 net zero targets were not very far away, the Corporate Plan needed to be agile enough so that it allowed the Council flexibility and was not too prescriptive in terms of how objectives were achieved.

Reason for decision

In order to advise Cabinet of the views of the Governance and Audit Committee.

130 Q4 UPDATE: AUDIT WALES WORK PROGRAMME TIMETABLE 2023/24 – VALE OF GLAMORGAN COUNCIL (DCR) -

The purpose of the report was to present to Members the Quarter 4 (Q4) update of Audit Wales' work programme timetable as aligned to the Vale of Glamorgan Annual Audit Plan 2023/24. For this the Committee welcomed S.J. Byrne from Audit Wales.

Appendix A to the report outlined Q4 progress on Audit Wales' work programme and timetable as aligned to the Vale of Glamorgan Annual Audit Plan 2023/24.

Committee members were requested to review and note the progress made on the Vale of Glamorgan Audit Work Programme as at Q4 and to refer the report to Cabinet for their oversight.

Councillor E. Goodjohn queried when would the homelessness piece of work begin. In reply, S.J. Byrne (Audit Wales) stated that that piece of work was still being scoped and further information would be sent to Members outside of the Committee meeting. In addition, Audit Wales agreed to check on the position regarding the Cardiff Region City Deal Statement of Accounts for 2022/23.

Audit Wales would also clarify the definition of what was the Senior Public Service as outlined with the national report on page 14.

With regard to the study undertaken of the governance in the Fire and Rescue Authorities, clarification regarding engagement with Council's would be provided.

Subsequently, it was

RESOLVED –

- (1) T H A T the contents of the report be noted.
- (2) T H A T the report be referred to Cabinet for its oversight.

Reasons for decisions

- (1) Having regard to the contents of the report and discussions at the meeting.
- (2) To enable Cabinet's oversight of the Audit programme.

131 ANNUAL INTERNAL AUDIT REPORT 2023/24 (HRIAS) –

The report provided the Head of Internal Audit's Annual Opinion on the Council's control environment in relation to governance, risk management and internal control. It also informed Committee of the work and performance of Internal Audit for the Financial Year 2023-24. This information was provided to comply with the Public Sector Internal Audit Standards.

Appendix A to the report contained the Annual Internal Audit Report 2023-24 which detailed Internal Audit's performance, opinions and recommendations made during the year which assisted in forming the Head of Internal Audit's Annual Opinion on the Council's overall control environment.

From the work undertaken during the financial year 2023-24 and considering other sources of assurance, the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2023-24 was of Reasonable Assurance.

Those audits that provided an audit opinion during the year were listed in Annex 1 to the report, the detailed position against the audit plan was at Annex 2, Annex 3 was the recommendation monitoring position statement and Annex 4 was the questionnaire issued after the completion of each audit.

Councillor E. Goodjohn asked for further information for the overall opinion of reasonable assurance. In reply, the Head of the Regional Internal Audit Service stated that the overall opinion was based on the individual audits carried out during the year. It was important to recognise that the Audit Team could not cover all services and systems as there were limits on resources. The overall opinion was based on the number of substantial and reasonable audits in addition to the number of limited opinions issued during the year. In addition, the overall opinion would take into account the Council's risk management and Risk Register which were key parts of the audit's planning process.

Mr. N. Ireland (Lay Member) stated that the client satisfaction rate of 46% was something that could be improved. Out of the 12 questions, 10 appeared to be simple yes and no and for future reports it would be useful to show the results of each question. In response, the Head of Regional Internal Audit Service stated that there was opportunity for comment within the survey regarding the adequacy of audits and the incorporation of a range of answers would be considered moving forward. In addition, the inclusion of graphs for each question would also be considered. The Head of Service stated that the return rate of 46% would be reported to the Council's Strategic Leadership Team so each Director would be aware.

Mr. Ireland referred to the 10 limited assurance audits contained within the report, and he asked for assurance in terms of what actions had been taken around those areas. Mr. G. Chapman (Chair and Lay Member) stated that it would be appropriate for the relevant Directors / Heads of Service to provide an update report to the next meeting of the Governance and Audit Committee relating to the following areas with a limited assurance audit:

- Payment card industries – data security standards (PCI – DSS)
- Appointee and deputy services
- Libraries and digital equipment
- Officers Code of Conduct
- Adult Placements (shared lives)
- Corporate Safeguarding – Governance, training and DBS awareness.

The Chair also commented that the Council's Strategic Leadership Team should be made aware of those departments / service areas which had not responded to the Internal Audit Services client satisfaction questionnaire.

The Head of the Regional Internal Audit Service agreed to check on the status of 8 follow up reports from 2022/23. He also clarified that in terms of overall themes, those were reported to Directors through the Council's Strategic Leadership Team.

Subsequently, the Committee

RESOLVED –

(1) T H A T the Annual Internal Audit Report for 2023/24 financial year including the Head of Internal Audit's Annual Opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control, be noted.

(2) T H A T the relevant Directors/Heads of Service provide an update report to the next meeting of the Governance and Audit Committee relating to the following areas:

- Payment card industries – data security standards (PCI-DSS)
- Appointee and deputy services

- Libraries and digital equipment
- Officers Code of Conduct
- Adult Placements (shared lives)
- Corporate Safeguarding – Governance, training and DBS awareness.

(3) T H A T the Council's Strategic Leadership Team be made aware of those department's/service areas that had not provided a response to the Internal Audit Service's client satisfaction questionnaire.

Reason for decisions

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

132 REGIONAL INTERNAL AUDIT SHARED SERVICE CHARTER 2024-25 (HRIAS) –

The purpose of the report was to present to Members the Regional Internal Audit Service (RIAS) Charter for 2024-25.

The RIAS Charter established the position of internal audit activity within each Council along with reporting lines. It was a formal document that defined the purpose, authority and responsibility of internal audit activities.

The Head of Internal Audit was responsible for reviewing the Charter and presenting it to each Council's Governance and Audit Committee annually for review and approval in line with the Public Sector Internal Audit Standards (PSIAS). One of the key roles which demonstrated the Governance and Audit Committee's oversight was the approval of the Internal Audit Charter.

The RIAS Charter had been reviewed for 2024-25 to ensure it continued to reflect the requirements of the PSIAS and that it remained applicable to all partners involved in the RIAS.

Having considered the report, it was

RESOLVED – T H A T the Regional Internal Audit Shared Service Charter for 2024-25, as attached at Appendix A to the report, be noted and approved.

Reason for decision

Having regard to the contents of the report and discussions at the meeting.

133 INTERNAL AUDIT STRATEGY AND RISK BASED PLAN 2024/25 (HRIAS) –

The purpose of the report was to provide Members with the Annual Internal Audit Strategy and Risk Based Plan for 2024-25 for approval.

In line with the Public Sector Internal Audit Standards the Head of Internal Audit must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals. The Risk Based Audit Plan covered the Council's overall control environment including risk, governance and internal controls as far as practicable.

Consideration of the Regional Internal Audit Service's Audit Strategy and Annual Risk Based Plan was one of the Governance and Audit Committee's key responsibilities. The proposed Internal Audit Strategy for 2024-25 was attached at Appendix A to the report and the Annual Risk Based Plan for 2024-25 was attached at Appendix B to the report.

The Strategy demonstrated how the Internal Audit Service would be delivered and developed in accordance with its Terms of Reference. The Strategy would be reviewed and updated annually in consultation with stakeholders, namely the Governance and Audit Committee, Senior Leadership Team, External Auditors and Senior Management.

The Plan provided Committee with an overview of the work to be undertaken which would offer sufficient coverage to be able to provide an opinion at the end of 2024-25.

Councillor M. Hooper queried how would the Strategy and Plan hold up if another partner was to join the Regional Audit Service. In reply, the Deputy Head of the Regional Internal Audit Service stated that a contingency element had been built into the Plan.

In terms of prioritising audits, the Committee was in agreement for the Council's Strategic Leadership Team to consider which audit reviews should be prioritised for 2024/25. In addition, the Committee requested for further summary information regarding limited assurance to be included where appropriate.

RESOLVED – T H A T the draft Internal Audit Strategy (attached at Appendix A to the report) and the draft Risk Based Audit Plan for 2024/25 (attached at Appendix B to the report), be noted and approved, subject to the inclusion of further summary information relating to limited assurance reports and for the Council's Strategic Leadership Team to consider which audits required prioritisation for 2024/25.

Reason for decision

Having regard to the contents of the report and discussions at the meeting.

134 UPDATED FORWARD WORK PROGRAMME (HRIAS) –

The report was presented, the purpose of which was to provide Members with a Forward Work Programme (FWP) for 2024/25.

The Governance and Audit Committee had several core functions and responsibilities within its remit. It received reports and presentations throughout the year to enable it to carry out those core functions and responsibilities effectively and to provide it with confidence in the financial governance of the Authority.

To enable the Committee to provide this assurance and to ensure it was covering its range of responsibilities, a FWP was presented at each meeting, setting out the reports to be presented at future meetings, for approval or amendment, as necessary. The updated FWP for 2024/25 had been produced and was at Appendix A to the report.

Committee was requested to approve the updated FWP or request changes for future meetings.

The Committee requested for the Cardiff Region City Deal accounts to be presented for the Committee's consideration as soon as they were available. In addition, the Committee requested for update reports to be provided at the next meeting on 18th July, 2024 regarding the limited assurance audits as referenced under Agenda Item No. 7 – Annual Internal Audit Report 2023/24.

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 on 18th July, 2024 be endorsed subject to the inclusion of an update report from the Directors/Heads of Service to the Limited Assurance Reports as referred to under Agenda Item 7 – Annual Internal Audit Report 2023/24 and for the Cardiff Region City Deal Accounts to be presented to the Governance and Audit Committee as soon as they are available.

Reason for decisions

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