



# Audit Committee Annual Report 2020/21

Cardiff Council



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# 1. Foreword by David Hugh Thomas (Chairperson of the Audit Committee)

There can be no doubt that 2020/21 has been a very challenging year for Cardiff Council, both as elected Members and Officers, not forgetting the people of the communities whom they seek to serve. In delivering our Work Programme during the municipal year, the Audit Committee has been mindful of the wide range of financial, economic, and social risks associated with the pandemic, and the importance of seeking assurance on all items that come before us.

Over the course of the year, Senior Officers have reported to us on the co-ordinated approach employed by them in tackling the important challenges associated with the pandemic; these have included

- The Chief Executive on the incident management arrangements invoked since the onset of the pandemic
- The Corporate Director Resources (Section 151 Officer) has kept us fully informed on financial resilience and management challenges, and
- The Audit Manager has briefed the Committee on the design of effective systems and counter-fraud checks in the Council's administration of Welsh Government relief funding
- Internal Audit Reports have provided assurance that overall adequate arrangements were in place to deliver good governance, risk management and control.

It would be remiss of me if I did not record at this point my thanks to all Elected Members of the Committee, and the Independent Lay Members (whose detailed profiles are set out in Annex 4 of this Report) for serving on this Committee. I believe that a strong sense of teamwork has been engendered, and the meetings have generally been well attended, having regard to the demands on Elected Members' time fulfilling their other roles and responsibilities. To support any new Member, induction training has been provided prior to their attending their first meeting.

Currently, the Committee has one vacancy, for an Independent Lay Member, arising from the decision taken in March 2021 by former Chairperson, Ian Arundale, to tender his resignation with regret, and immediate effect. Since November 2019, he had been on Council approved leave of absence, but having been asked by the Home Office to extend his short term contract to the end of 2022, Ian considered that resigning was the honourable thing to do from the view of clarity, resilience, and leadership of the Committee, at a time when it was assuming new Statutory responsibilities. An appropriate letter of appreciation, on behalf of the Committee, has been sent to Ian, expressing thanks for his years of valued service. All Elected Member seats are filled at this time. Annex 4 also sets out details of members of the Committee "Who Left in-Year", whose contribution to the Committee was also much appreciated and valued.

Throughout the year, the Audit Committee has benefited from the highly professional support of

- Accountancy
- External Audit (Audit Wales)
- Risk Management, and
- Treasury Management

Concerns raised by Committee members, or identified through various Committee Reports (such as those from Internal and External Audit) have often resulted in the accountable Officers being invited to attend a Committee Meeting.

The Committee has also continued to receive reports from members of the Senior Management Team (SMT) on the Council's Directorate Control Environments, encompassing governance, risk Management, and internal control/assurance arrangements. This has given the Audit Committee a good opportunity to engage with members of SMT individually, and to seek relevant assurance in their respective areas of responsibility.

The All Wales Audit Committees' Chairs' Forum has proven to be a very useful forum to discuss issues of common interest, receive updates, and share experiences and best practice in the presence of expert advice. The event in November 2020 was held by video link, and sponsored by the Welsh Local Government Association (WLGA); their support resulted in items from CIPFA and Audit Wales on a range of relevant topics. A similar event is planned for the year ahead.

The Audit Committee Work Programme is received at each Committee meeting, facilitating changing risks and priorities to be given due consideration, whether they are put forward by Elected Members, Officers, External Stakeholders, or other Committees of the Council. The importance of our role to a range of stakeholders is recognised. We have reflected on the effectiveness of governance, risk management and control in providing overall assurance opinion and informing the Council's Annual Governance Statement 2020/21.

We continue to promote awareness of our work through the publication of a Committee Newsletter, twice a year, and have done so since October 2018, supporting the Council's culture of accountability and assurance.

We have also taken the time to review our performance, so as to give confidence to those relying on our work. In January 2021, we held a self-assessment workshop against the best practice CIPFA Framework. This involved reflection on the feedback we receive from those attending Committee meetings.

Looking forward, the implications of The Local Government & Elections (Wales) Act, 2021, has been a particularly important area of focus, not least because of the re-designation of the Audit Committee as the Council's "Governance and Audit Committee", widening its role to include additional responsibilities commencing on dates in 2021/22. The present Committee has taken a number of preparatory steps in readiness for its new role, including:-

- (i) Considering the provisions of the Original Bill
- (ii) Reviewing the Welsh Local Government Association's co-ordinated response to the Bill.
- (iii) Participation in a discussion at the All Wales Audit Chairs' Network Forum, where we were supported by the expert advice described earlier
- (iv) Participation in the consultation on the statutory guidance for the Bill which received Royal Assent in January 2021.

Cardiff Council have updated and aligned the Terms of Reference and the Work Programme of the re-designated Committee to meet all new responsibilities, details of which are outlined within the body of this Annual Report.

Looking forward to 2021/22, in my opinion, the financial, economic and social challenges facing the Council, public services, and the community will still be significant. In the context of an ongoing COVID-19 pandemic, a challenging financial environment is inevitable, coupled with increasing demand for public services and ever improving performance.

I am in no doubt whatsoever that our widened role as a Governance and Audit Committee in the year ahead will bring with it expectations, but the importance of assurance and oversight will remain critical ingredients in discharging our responsibilities.

**D. H. Thomas. Chairperson**



## 2. The Role of the Audit Committee

The Audit Committee has delivered an important role to increase public confidence in the objectivity and fairness of financial and other reporting and provide independent assurance over governance, risk management and control processes.

The Local Government (Wales) Measure 2011 has required the Council to have a Committee to:

- review and scrutinise the authority's financial affairs
- make reports and recommendations in relation to the authority's financial affairs
- review and assess the risk management, internal control and corporate governance arrangements of the authority
- make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements
- oversee the authority's internal and external audit arrangements, and
- review the financial statements prepared by the authority.

The Measure has required Independent Lay Member representation on the Audit Committee. The Council determined that the membership of its Audit Committee would be twelve Members (eight Elected Members and four Independent Lay Members), which meets the requirement of the Measure and the recently introduced Local Government and Elections (Wales) Act 2021.

The Terms of Reference of the Audit Committee for 2020/21 is included within Annex 1 from which an overview of its role is summarised in the following statement of purpose:

### Statement of Purpose

- Our Audit Committee is a key component of Cardiff Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- The purpose of our Audit Committee is to provide independent assurance to the members of Cardiff Council, and its wider citizens and stakeholders, on the adequacy of the risk management framework and the internal control environment. It provides an independent review of Cardiff Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

### **3. Our Work in 2020/21**

The Audit Committee received regular reports in relation to standard agenda themes and received reports of interest based on risk, governance and internal control matters during 2020/21. Details are provided below.

#### **Standard Items**

##### **3.1 Finance**

Chris Lee (Corporate Director Resources (Section 151 Officer)) has provided financial updates at every meeting to provide Committee Members with an overview of the financial standing of the Council during a period of ongoing unprecedented financial pressure.

The Committee has noted the challenges facing the Council in respect to its budget strategy for both the year hence and the medium term.

The Committee has received, reviewed and had the opportunity to comment on key finance reports in 2020/21, including:

- Draft Statement of Accounts 2019/20 and Audit Report
- Draft Annual Governance Statement 2019/20
- Cardiff & Vale of Glamorgan Pension Fund Statement of Accounts 2019/20 and Audit Report
- Treasury Management reports, independent review, and updates
- Financial Resilience updates

The Audit Committee considered the unaudited draft Statement of Accounts 2019/20 of Cardiff Council including Cardiff Harbour Authority, and the Cardiff and the Vale of Glamorgan Pension Fund in September 2020. This followed our participation in a 4-week consultation process, which enabled questions to be raised with, and received from, lead finance officers. At the time of the September meeting, the external Audit was ongoing whilst the statutory deadline for the Accounts to be audited and published had been extended from 15 September 2020 to 30 November 2020.

A special subsequent Audit Committee meeting was arranged to consider and discuss the audit reports for the annual accounts in October 2020 with external audit (Audit Wales). The Cardiff Harbour Authority audit report provided a qualified audit opinion, and were advised by Audit Wales that this was a technical requirement as due to the pandemic there had not been a year-end stock check. Audit Wales stressed that this was not uncommon in local authorities in that year. Following further discussion with management, we received a briefing to provide further details, which provided an assurance that there were no issues with regards to stock figures upon stock count.

The pandemic has provided substantial financial challenges, and the Committee has taken particular interest in the information and updates provided by the (Corporate Director Resources (Section 151 Officer)) in each Committee meeting. Through these updates, we have been kept informed about matters of budget strategy and performance, Welsh Government relief claims and funding received and overall financial resilience. We will continue to closely monitor arrangements in place during the period of recovery from the pandemic.

## 3.2 Governance and Risk Management

The Committee has formed a view on the Council's governance, risk management and internal control arrangements taking into account the information presented by the Corporate Director Resources (Section 151 Officer), Audit Wales, the Audit Manager, Risk Management Team and other officers of the Council.

The Committee plays a key role in contributing to and challenging the contents to be included in the Annual Governance Statement (AGS). The AGS is an important governance disclosure document and accompanies the Statement of Accounts.

The Audit Committee reviewed the AGS 2019/20 in July 2020. The Audit Committee will review the AGS 2020/21 following the financial year-end, in which the 'Opinion of the Committee for 2020/21' (section 8) will be disclosed.

The Committee has received and had the opportunity to comment on the following governance and risk management disclosures:

Committee Meeting Date	Item Reviewed
July 2020	<ul style="list-style-type: none"><li>▪ Draft Annual Governance Statement 2019/20</li><li>▪ Corporate Risk Management (Q4 Update) 2019/20</li></ul>
November 2020	<ul style="list-style-type: none"><li>▪ Corporate Risk Management (Q2 Update) 2020/21</li></ul>
January 2021	<ul style="list-style-type: none"><li>▪ Senior Management Assurance Statement Mid-Year 2020/21</li></ul>
March 2021	<ul style="list-style-type: none"><li>▪ Corporate Risk Management (Q3 Update) 2020/21</li></ul>

Within the Council's Code of Corporate Governance, the Senior Management Assurance Statement (SMAS) process is a core mechanism for senior management self-review and provides an open disclosure of the application of good governance. The Committee welcomes ongoing development of the SMAS process in line with the Code to provide a wider level of independent challenge from various Council disciplines, and strengthen the assurance provided.

We have noted that there was a deviation from the normal senior management assurance process following the 2019/20 year end, as outlined in the Annual Governance Statement for that year due to the onset of the pandemic, following which the normal process resumed. We have continued to review the Senior Management Assurance Statements and we have also probed members of SMT and sought further assurance through the reports we have received from them individually on their directorate control environments throughout the year.

There have been changes to operational governance arrangements during the year, as incident management arrangements were invoked. Governance arrangements were subject to a review by Internal Audit this year and received an effective assurance opinion, and the Chief Executive provided an overview of the incident management arrangement applied this year, when he attended a Committee meeting in March 2021.

We have received regular risk management updates from lead officers throughout the year, and have discussed risk management at corporate and directorate levels with the senior officers who have attended Committee meetings during the year. Further information is provided in sections '3.6 - Control environment Reviews', and '3.7 - Areas of Particular Focus' of this report.



### 3.3 Treasury Management

The Audit Committee seeks assurance that the Council has complied with the Treasury Management Strategy and Practices, and has demonstrated effective risk and performance management.

Over the past twelve months, the Committee has received reports on the Treasury Management Annual Report 2019/20, Mid-Year Report 2020/21 and the Treasury Management Strategy 2021/22.

Through the treasury management reports and updates in Committee meetings, Members have taken the opportunity to scrutinise and challenge the approach adopted and decisions taken. This is a complex area, through which the Committee has delivered its role through probing and scrutinising strategies, reports and data provided.

Members have continued to focus attention on the use of reserves, the levels of borrowing and investment, and the management of risk. To support the Audit Committee in its role, Members of the Audit Committee were provided with treasury management training in January 2020 from the Council's external treasury advisors.

Treasury Management is subject to regular Internal Audit, and during 2019, it was subject to a review commissioned with the Council's treasury management advisors. This review considered the corporate team's skills, compliance with best practice, required regulations and professional guidance. The report was complimentary, and we received a management response with target dates for the small number of actions raised.

### 3.4 External Audit (Audit Wales)

The Committee places reliance on the work of Audit Wales as the Council's external auditors. The Committee has received key documents throughout the year:

- Audit Activity / Progress Updates
- External Audit Recommendation Tracker
- National and Council Reports
- Annual Audit Summary 2020
- Audit of Accounts Reports 2019/20

The Audit Committee has received regular updates from Audit Wales, led by Ann-Marie Harkin with responsibilities now transferred to Derwyn Owen (Engagement / Financial Audit Director), Phil Pugh (Financial Audit Manager) and Sara-Jane Byrne (Performance Audit Manager). In addition to Cardiff specific studies, Audit Committee Members received a number of other national and regional study updates from Audit Wales, with the key findings and messages communicated.

#### Recommendations

The Committee considered an External Audit Recommendation Tracker item, which had been collated as a corporate document and reported for the first time to a Committee meeting in January 2021. The item provided an opportunity to comment on and consider the progress the Council is making in addressing recommendations made by Audit Wales. There is a commitment to using the tracker to reinforce accountability for addressing recommendations. The tracker will be considered

by the Committee twice a year, extended to include wider regulatory, inspectorate and external assurance reports, and supplemented with details of which Committees of the Council or Boards the various reports have been reported to for information and assurance.

## Reports

In the September 2020 Audit Committee meeting, we considered the latest counter-fraud report of the Auditor General for Wales, 'Raising Our Game' Tackling Fraud in Wales. The audit was designed to answer the question: 'Are the arrangements for preventing and detecting fraud in the Welsh public sector effective?' The report considered that all public bodies in Wales should focus on raising their game to tackle fraud more effectively through considering fifteen recommendations across seven themes. Members received a presentation from Audit Wales, and the Audit Manager presented Cardiff Council's management response to the national recommendations. Through discussion with Audit Wales and the Audit Manager, we were advised that many of the national recommendations either were in place, or were being actively worked upon, in Cardiff Council. Members recognised that the Council has a small counter-fraud specialist team, and although capacity is limited, a number of Welsh local Authorities do not have this provision. We receive regular updates on counter-fraud activities and outcomes in Committee meetings, through which we will continue to monitor and discuss the Council's important work in this area.

In the November 2020 Audit Committee meeting, we considered:

- A national report on financial sustainability in local government as a result of the COVID-19 Pandemic for information, and a Financial Sustainability Assessment of Cardiff Council accompanied by a management response in November 2020. Whilst Audit Wales reported no major concerns about the Council's financial resilience, significant challenges were noted over the medium term given the savings required. We have been advised that further work is being undertaken, and we await further reports with keen interest.
- A national Audit Wales report on commercialisation in Local Government. The report had recently been received and it was recognised that any actions taken in respect of the report would need to be in accordance with the policy direction of the current administration. Audit Wales advised that the report was not prescriptive in its definition of 'commercialisation' for which there was a broad spectrum of approaches that could be applied. Officers agreed to consider the forum and approach for considering the report.

## Wider Reports

We received the Annual Audit Summary 2020 from Audit Wales in January 2021, which reported an outline of the work undertaken in 2019/20 and the findings, an overview of reports published by other regulatory bodies, and an overview of planned work for 2020/21.

The Audit Committee's review of the Audit of Accounts Reports and Audit Certificates 2019/20 is outlined in 'Section 3.1 – Finance'.

### 3.5 Internal Audit & Investigation Teams

The Committee continues to place reliance on the work of the Council's in-house Internal Audit Team. It receives a progress report from the Audit Manager on a quarterly basis, which includes audit opinions, critical findings and progress against the audit plan, together with wider performance measures and audit recommendation tracking information.

The Audit Manager has had a functional reporting role to the Audit Committee and reports managerially to the Head of Finance (Deputy Section 151 Officer). The Committee has been assured that throughout the year that there have been no impairments to Internal Audit independence or objectivity in accordance with the Public Sector Internal Audit Standards (PSIAS).

After a period of consultation, the Internal Audit Charter and the Internal Audit Plan 2020/21 were accepted by the Audit Committee, and formal approval was provided in the first Committee meeting of the municipal year, on 28 July 2020. At this time, the Audit Committee also considered the Audit Strategy.

The Committee has been kept informed of the impact of the pandemic on the capacity of audit staff and clients this year. The approach followed by the Team was to provide advice and support to management as the Council adapted services and established new systems in response to the pandemic at the start of the year, followed by focussed delivery of the assurance audit plan from quarter two, when services commenced a formal and managed restart.

A substantial provision was included in the Audit Plan for COVID-19 related audit consultancy work, and a prioritised approach was followed for substantial coverage audit coverage of fundamental systems and corporate governance, and a targeted spread of wider assurance work across directorates. The Internal audit Team achieved 55% of Audit Plan this year against a target of 60% (the previous year's achievement was 70%). During the year, we received a technical advisory note from CIPFA, which had informed the approach to prioritising the audits to be delivered in order to sufficiently cover the full control environment of the Council with the resources available.

The Committee received the following key documents during the year:

- Internal Audit and Investigation Team Progress Reports
- Internal Audit Recommendation Tracker
- Internal Audit and Investigation Team Annual Reports
- Changes to key documents and Internal Audit and Investigation Team action plan updates.

The Audit Plan 2020/21 included audits of a thematic nature to gain assurance in each directorate across the Council. The thematic work substantially concluded within the year related to 'Commissioning and Procurement' and 'Income and Debtors', whilst a number thematic 'Asset Management' audits from the previous year were also concluded.

An overview of all issued audit reports has been provided to the Audit Committee, with emphasis given to recommendations allocated a priority rating of Red or Red / Amber. The Audit Committee has received and had an opportunity to monitor all audit recommendations and the associated management responses and updates until the point of implementation.

The number of audit recommendations implemented within agreed timescales is improving, but requires further management attention, with performance at 69% against a target of 80%. It is essential that audit clients prioritise delivering audit recommendations within the timescales they

agree to, and to support this sentiment, we wrote to a small number of directors who had particularly overdue recommendations in their portfolio during the year.

Internal Audit is subject to an external review every five years in order to report conformance with the Public Sector Internal Audit Standards (PSIAS). The Audit Manager of Rhondda Cynon Taf Council carried out this review during 2017/18, and provided assurance that the Internal Audit function conformed to the standards. The Audit Committee has received ongoing internal assurance through performance reports in each Committee meeting this year from the Audit Manager that the Internal Audit Service is operating in conformance with the PSIAS.

The Committee will receive a full year overview of audit work completed, and key messages, when the Internal Audit Annual Report 2020/21 is presented in our first Committee Meeting of 2021/22. This report will provide the Audit Manager's opinion on the Council's overall position in relation to risk, governance and control and an annual review and assurance statement on conformance with the PSIAS.

On a quarterly basis, the Audit Committee received an overview of the activities and outcomes of the work of the corporate Investigation Team. Committee also received details of wider counter-fraud work, initiatives, and counter-fraud training developed and attended across the Council. The Audit Committee has considered the Council's 'Anti-Money Laundering Policy', and the 'Authorisation and Protocol Requirements for Review of Work Activities' ahead of Cabinet approval in December 2020 and March 2021 respectively. Committee also received information this year on the Council's participation in International Fraud Awareness week in November 2020 and its participation in, and the outcomes of, the CIPFA Fraud and Corruption Tracker 2020 exercise.

The Committee has been advised of the risk of fraud and error associated with administering a range of emergency and relief payments on behalf of Welsh Governments at pace this year. Over the year, the Council distributed more than £100 million to local businesses, and the Internal Audit and Investigation Teams advised management on the design of systems and counter-fraud checks in accordance with scheme requirements as part of a multidisciplinary team. We have been advised of the data matching and manual checks completed, the outcomes, and the planned participation in a further National Fraud Initiative data matching exercise in 2021/22 for further post award assurance.

## **One-off Items**

The Audit Committee has engaged with senior officers through its programme of work this year for assurance on the control environment for their respective areas of oversight. We have also considered certain legislation and matters of good governance, risk management and control this year with particular focus and details are provided below.

### **3.6 Control Environment Reviews**

#### **a. Council Control Environment**

In March 2021, we welcomed Paul Orders, Chief Executive to attend our Committee and provide an overview of the Council's control environment comprising an outline of, and assurance on, the Council's overall arrangements for governance, risk management and internal control. The

Committee recognises the challenging financial environment facing the authority, and the Chief Executive continues to emphasise the important role of the Section 151 Officer, and SMT in making the interventions necessary to effectively to manage Council finances.

The Committee was provided with:

- An outline of the incident management arrangements invoked during the pandemic and the mechanisms which have been used for briefings, decision-making, reporting and risk management.
- Details of the preparations that were put in place in November 2020, for both the UK's departure from the EU and anticipated winter pressures.
- The recovery priorities for the year ahead from the Council's new Corporate Plan, and the programme of city renewal to be published in May 2021.
- An update and insight on the framework and activities relating to corporate risk management, senior management assurance, internal audit and wider assurance.

We raised questions and had discussions on elements of risk management, partnership arrangements and UK funding.

## **b. Directorate Control Environment Reviews**

One Corporate Directors and three further Directors attended Audit Committee meetings in 2020/21 to provide an overview of their directorate control environments. We were provided with details of directorate governance, risk management and internal control, and the prominent matters discussed and actions agreed were as follows:

### **Social Services**

Sarah McGill, the Corporate Director responsible for Social Services attended a Committee meeting in January 2021 to provide a control environment update. We received an overview of the Directorate structure and were asked to note the services and significant budgets being managed, for which the Corporate Director recognised that robust monitoring arrangements are crucial. An outline was provided of key risks, the results of a senior management assurance self-assessment exercise, and the arrangements for oversight and review of directorate risks and Internal Audit actions.

The Committee received details of progress in responding to Internal Audit reports, at which point in time there were no overdue actions, but a number of actions still needed to be completed. We commented on the relatively high number of 'insufficient' Internal Audit opinion reports and were advised that these reports covered a wide range of issues and were being responded to via the design of processes, compliance, considering skills and accountability, and through addressing any structural issues.

We noted the high number of senior management assurance statement responses for which aspects of good governance application were self-assessed as 'mixed' and needed improvement. We also received the position against recently received inspection reports, including an inspection of the Youth Offending Service that provided an adverse assurance opinion. We were advised that steps

have been taken to learn from the experience and to ensure demonstrable improvements that can be reported on.

## **Education and Lifelong Learning**

Melanie Godfrey, Director of Education of Lifelong Learning attended a Committee meeting in March 2021, four months after appointment, to provide an overview of the directorate control environment. The Committee received a report covering risk management, the response to Internal Audit actions, the results of a senior management assurance self-assessment, governance details in respect of the Schools Organisational Programme, an update on the work of Estyn and value for money information.

Over a number of years, we have sought regular reports from senior management in the Education and Lifelong Learning directorate, following concerns raised through Internal Audit reports on good financial management in school-traded services and on school governance. We have also sought ongoing assurance on the arrangements to manage school balances, and to address audit recommendations. In advance of the meeting, the Director received a letter from the Audit Committee Chairperson requesting an update on the position in respect of addressing Internal Audit recommendations both in schools and within the wider directorate. A written response was provided and messages were reinforced through the Director's report and presentation to Committee.

During the March meeting, we were advised of the arrangements that the new Director is putting in place to enhance existing arrangements, including assigning new staff resources and responsibilities to support coordination and oversight of improvements.

## **Economic Development**

Neil Hanratty, Director of Economic Development attended a Committee meeting in March 2021 to provide an update on the directorate control environment and to address how management are responding to a recent Audit Wales 'Review of Leisure Services' report. In advance of the meeting, the Director received a letter from the Audit Committee Chairperson requesting an update on the position in respect of addressing Internal Audit recommendations, and a detailed response was received.

During the meeting, we received a presentation, which contained the outturn budget position, information on the management structure and background details on the Leisure contract to supplement the Committee papers we had received. Audit Committee papers provided details of the approach to engaging with and responding to Internal Audit, and analysis of the position in respect of audit actions. We also received information on the wider control environment, including risk management arrangements, the results of a senior management assurance self-assessment, a summary of major project governance, external assurance details, and certain examples of value for money.

We discussed the general matters of directorate governance, risk management and control, and we gave particular focus to the Audit Wales review of Leisure Services. Details of the discussion on the Audit Wales review are provided in the following section (3.7).

### **3.7 Areas of Particular Focus**

In addition to our standard areas of work, the Audit Committee considered certain legislation, and matters of good governance, risk management and control this year with particular focus. A brief account of our reviews of these areas is included below.

#### **Local Government and Elections (Wales) Act 2021**

The Local Government and Elections (Wales) Act has been a particularly important area of focus, as it changes the name of the Audit Committee to a Governance and Audit Committee, and it widens its role to include additional responsibilities commencing in 2021/22, requiring us to:

- Review the Council's draft Self-Assessment Report 2021/22 and each year thereafter, and make appropriate recommendations for changes.
- Consider and make recommendations in response to the Council's Panel Assessment Report when received.
- Review and assess the Council's ability to handle complaints effectively.
- Review the Council's draft response to any Auditor General recommendations arising from a 'special inspection' in respect of the Council's performance requirements, and make any appropriate recommendations for changes.

The Act also requires a third of Committee Members to be Independent Lay Members, and for one of whom to be Chairperson. This requirement was already met by the existing composition of the Council's Audit Committee (eight Elected Councillors and four Independent Lay Members (with one Independent Lay Member being the Chairperson)).

The Committee has taken a number of steps to understand and prepare for its new role as a Governance and Audit Committee. Further information is provided below.

In January 2020, we received an overview of the full Bill in a Committee meeting and we raised a range of comments. We subsequently received details of the WLGAs coordinated response to the Bill, which reinforced a number of the points we felt required further clarity.

In November 2020, through our All Wales Audit Committee Chairs' Network, Audit Wales provided a guidance and information session to the Chairs of the Audit Committees across Welsh Local Authorities on the Bill. As part of the day, which was sponsored by the WLGA and delivered via a remote video session, we also received expert guidance and contributions to discussion from Diana Melville, the Governance Advisor for CIPFA. The discussion was very useful at a time when we were starting to consider how to deliver our responsibilities in practice for the year ahead.

During December 2020 and early January 2021, we considered a consultation on the Statutory Guidance for the Bill. The Bill received Royal Assent in January 2021.

In March 2021, we agreed our Terms of Reference for the year ahead includes our new responsibilities and was developed through a technical review by lead Council officers, informed by peer group discussions with the Welsh Chief Auditors Group and in consultation with the WLGA. Our Terms of Reference was approved by Council in May 2021.

We have added a performance section to our work programme through which we will cover items related to our new areas of responsibility.

## **Education and Lifelong Learning Assurance**

As referred to in section 3.6, the Audit Committee has continued to raise concerns about governance and compliance matters in schools and school-traded services, which are regularly responsible for a greater proportion of audit reports giving concern. We were keen to have early engagement with the new Director of Education, to discuss this position and the arrangements for oversight and assurance going forward. The Director promptly attended an Audit Committee meeting in March 2021.

We are encouraged by the coordinated response the Director provided to both a letter that we wrote requesting an account and assurance of the Directorate response to Internal Audit Recommendations, and to the report we received on the Directorate control environment for the March 2021 Committee meeting. We were advised that actions had been taken with new staff resources and responsibilities assigned to support coordination and improvements. We will monitor the position through the information and assurance we receive from Internal Audit, and we look forward to ongoing engagement with the new Director.

We note that the Internal Audit Team has completed fewer individual school audits this year, but it has engaged all schools in a Control Risk Self-Assessment (CRSA) exercise. Through this exercise, schools responded to a detailed set of questions on governance, risk, compliance and control and submitted a portfolio of evidence to support the assertions made. Given the operational adjustments that schools have needed to make throughout 2020/21 the approach to auditing schools has been pragmatic, whilst we welcome the outcomes of a range of school audits that are arranged for 2021/22.

## **Waste Management Assurance**

There have been ongoing concerns about the robustness of controls in relation to the Waste Management function. Notably, in recent years, a wide-scale investigation into allegations of fraud was completed and disciplinary proceedings have concluded, whilst Police liaison is ongoing. In relation to this investigation, Committee has:

- Received a confidential briefing following the financial year-end (as at 31 May 2021) containing summary information on the disciplinary cases and outcomes, and details of the targeted work of Internal Audit in areas of the Waste Management Service where there have been allegations or concerns.
- Requested an opportunity to consider the terms of reference for a post investigation review to be completed at the appropriate time, to ensure lessons are learned.

Targeted work has been completed by Internal Audit to verify the operation of key controls, the management of risk and the overall control environment in areas where there have been concerns or allegations of fraud and financial impropriety. There has been a gradual improvement in the assurance opinions received from Internal Audit, although ongoing assurance is required.

In March 2021, Audit Committee met with the Director of Economic Development, who has taken responsibility for Waste Management. In advance of the meeting, a letter was written to the Director requesting by the Committee's Chairperson requesting an update and assurance on the position in addressing audit recommendations, and a detailed response was received. We will continue to maintain a close eye on the delivery of improvements required.



## Review of Leisure Services

As part of the update from the Director of Economic Development to Audit Committee in March 2021, we received information on the response to a recent Audit Wales 'Review of Leisure Services' report. We had reviewed the initial management response to the report's recommendations when we considered the External Audit Recommendation tracker in January 2021, and we invited the Director to provide a more detailed update to Committee in March.

Matters of contract specification and governance that were raised in the Audit Wales report for which the Committee has requested further information and assurance. In considering the report and its recommendations, we raised comments on:

- The importance of contingency arrangements to mitigate any current or future contract issues.
- The proposal for the social value tool to be reviewed to ensure it is effective and that there is assurance in its measurement and use.
- Our interest in a follow up report planned by Audit Wales, and an audit of Governance in Leisure Contracts planned by Internal Audit.

Management acknowledged our comments and advised that there will be a comprehensive review, following the decisions to date on the contract and provision, encompassing affordability and long-term sustainability.

The Committee recognises the challenging environment that leisure services are operating within, which has been exacerbated by the ongoing pandemic, and in this setting will keep a keen eye on the respective assurance received from the reports of Audit Wales and Internal Audit in the year ahead.

## 4. Audit Committee Self-Assessment

### Context and approach

In January 2021, the Audit Committee held a Self-Assessment Workshop, to review its performance against a best practice CIPFA framework. Following the process introduced in previous years' assessments, Audit Committee Members were asked to undertake an Individual Assessment against the CIPFA core knowledge and skills areas in advance of the collective workshop. This enabled the results to be reflected upon when considering the overall assessment.

To further inform and supplement the self-assessment workshop the Committee also reflected on the feedback from those attending Audit Committee meetings on the performance and the value they gained from their attendance.

### Self-Assessment

Individual Assessments were completed by five of the ten Audit Committee Members in active service at the time.

From the Individual Assessments completed, whilst there was strong self-assessed performance in each core area, Counter-Fraud and Treasury Management represented the lowest self-assessed areas overall. The areas involving disciplines of a more technical continue to be scored comparatively lower

for the Committee as a whole, although a proportion of individual Committee Members have self-assessed as at least strong for knowledge and application in each of the ten core areas.

In respect of the collective Self-Assessment Workshop held in January 2021, the results were as follows.

Through our review of good practice, Audit Committee self-assessed:

- Twenty three areas were assessed as ‘fully in place’
- Two areas were assessed as ‘partly in place’
- No areas, were assessed as ‘not in place’

For the areas reported as ‘partly in place’, the Committee considered:

- When reflecting on our assessment against the CIPFA Core Knowledge and Skills Framework - We have reasonable awareness of our training needs, through Individual Assessments against the Framework, but we acknowledge that with a partial completion rate (50%) the action should not be considered complete;
- When reflecting on the recommendations we raise and the extent to which they are acted on - Whilst actions / recommendations are raised as part of Committee meetings, and subsequently monitored, we considered the Committee could more proactively review their status and consider follow on actions within Committee meetings. A mechanism has been agreed as an action to support this.

For our review of Audit Committee effectiveness, we used a 5-point rating scale, ranging from ‘no evidence’ (point 1), to ‘clear evidence’ (point 5) of the work and support of Audit Committee to delivering improvement in a range of areas.

Of the nine areas reviewed:

- Three were assessed at point 5, with clear evidence from a number of sources that the Committee is actively supporting improvements;
- Three areas were assessed at point 4, with clear evidence from some sources of the effective support for improvements;
- Two areas were assessed at point 3, as having mixed experience and evidence of Audit Committee support.
- One area was assessed as 3.5 (midway between point 3 and 4).

The three areas scored as ‘mixed’:

- In respect of ‘helping to ensure appropriate governance, risk and control arrangements’, the Committee considered it was discharging an effective role through the items it receives and its engagement with senior officers. However, it considered there was a need to review major projects and programmes to provide clear evidence of effective support for improvements. Accordingly, the Committee arranged to receive reports governance arrangements in the Schools Organisational Programme and Major Project Governance from the respective Directors in its March 2021 meeting.
- In respect of ‘supporting the development of robust arrangements for ensuring value for money’, the Committee considered that, there was a carry forward action from last year to

receive measures of value for money in reports from senior officers. This requirement and expectation was communicated to the senior officers who attended the March 2021 Committee meeting, and greater detail was provided to assist Committee in its value for money considerations.

- In respect of 'promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability', Members considered that good engagement and communications were in place, whilst further Committee attention will be targeted in respect of partnership arrangements.

The Action Plan and feedback information from those attending Audit Committee are included in Annex 2 and Annex 3 of this report respectively.

## **5. Key Observations 2020/21**

The Audit Committee Work Programme has been developed and discharged with the support of Audit Wales, Internal Audit and other Council Officers, to deliver the Audit Committee terms of reference with a focus on the significant risks and challenges facing the Council.

The Committee has achieved an overview of the Council's priorities, risks and controls through the many items received through its Work Programme. The Committee has focussed on achieving assurance on the effective arrangement across directorates to respond to the challenges of maintaining controls, displaying good governance and managing risks. Through engagement with senior officers, and receiving a range of management and independent assurances, the Committee has gained a good understanding of the services provided and the challenges faced. We have responded proportionately with assurance and challenge, as appropriate, and documented within section 3 of this report, 'Our Work'.

In addition, the Committee has had the opportunity to challenge and discuss actions taken in response to External and Internal Audit Reports, and we have undertaken reviews of particular matters of good governance, risk management and control, through inviting senior officers to Committee meetings to provide information and assurance. Through this information and engagement, we have identified the assurance and coverage required to deliver our role, from which our Annual Opinion for 2020/21 and areas of particular interest going forward are documented in the following section.

## **6. Opinion of the Committee for 2020/21**

Based on the evidence presented to the Audit Committee during 2020/21, it is the considered view of the Audit Committee (subsequently renamed Governance and Audit Committee) that the Council does have, for the most part, sound internal controls and governance arrangements in place. Strategic risks representing the true challenges facing the Council are captured and reviewed on a regular basis. Examples of where the Committee continues to have concerns, which will be incorporated into the Committee's Work Programme for 2021/22, include:

## **6.1 Budget Management**

The Committee recognises the sustained financial pressure that the Council is under and notes that whilst the overall financial position was balanced, some particular directorates had significant overspends for which control improvements are needed, and management attention and actions are required in directorates to achieve budget savings proposals put forward. Budget management is particularly pertinent at this time given the pressures facing local authorities as they respond to the ongoing pandemic. This unprecedented environment follows a number of years in which the financial parameters within which the Council operates have been constrained.

Welsh Government support has been received this year to mitigate the impact of the pandemic on budgets, and there has been considerable officer attention and effort to record, verify and submit claims to recover eligible expenditure that has increased, and eligible income that has been lost during the crisis. The Committee is keen to observe effective arrangements for budget management and control once this funding ends. The Committee will carefully scrutinise budget management arrangements over the year to come, through observing the use of appropriate management controls and interventions, and continuing to reinforce expectations for delivery.

## **6.2 Internal Control**

Assurance on compliance and control is essential. For a number of years there have been continued constraints on resources, together with a growing population and greater demand for public services. As the Council faces significant challenges in how it delivers services, it remains essential that internal controls are not neglected or impaired, and that strong controls operate throughout reformed processes and systems. Additionally, the pandemic has necessitated the adaptation of systems, and in some cases the design of new systems, in order to respond to new priorities. We have been advised of the substantial level of consultation, advice and guidance provided by the Internal Audit and Investigation Teams to support management to design and uphold robust controls as they navigated new priorities and responsibilities. The Committee has noted the inherent risks associated with the Council's requirement to administer and distribute a significant amount of Welsh Government emergency funding at pace this year. It has been important for the Committee to receive relevant assurances during the year, and we have received briefings on the arrangements for up-front controls, post award assurance checks and the progression and outcomes of cases identified for investigation.

The Committee has invited senior officers to attend its meetings this year, to account for their delivery of good governance, risk management and control. In addition, the Committee has continued to receive the details of all Internal Audits completed, and the respective assurance ratings. This year we have observed isolated internal control gaps, and unsatisfactory audit opinions, but whilst the number of unsatisfactory Internal Audit opinions remain low, management must maintain sound systems of internal control and promptly address identified weaknesses.

There have been ongoing concerns about the robustness of controls in relation to the Waste Management function. In recent years, a wide-scale investigation into allegations of fraud was completed and disciplinary proceedings have concluded, whilst Police liaison is ongoing. We have received a confidential briefing following the financial year-end (as at 31 May 2021) referring to the disciplinary cases and outcomes, which links to the targeted work completed by Internal Audit to verify the operation of key controls, the management of risk and the overall control environment.

There has been a gradual and generally sustained improvement in the assurance opinions of Internal Audit in Waste Management over the financial year, although continued management attention and assurance are required. To support the importance of addressing audit reports we wrote to the Director of Economic Development who provided an account for the delivery of audit recommendations. We will consider the terms of reference for a post investigation review in the year ahead, to ensure lessons are learned.

The Committee receives a list of all Internal Audit recommendations raised and agreed, and visibility of updated management comments until the point of implementation. Whilst the Committee has an overall assurance of internal control, we continue to require officers to account for services or functions where internal control weaknesses have been identified. We continue to challenge any impairment in stewardship and control of public funds and assets, seeking prompt and proportionate management actions. The Committee has considered the Internal Audit Plan for 2021/22, and will closely monitor its progress and findings over the year ahead.

### **6.3 Financial Resilience (including Treasury Management)**

In a position of constrained finances, the Committee will continue its consideration of the framework for financial decisions. The Committee has received updates on financial resilience as part of the finance updates and, in recent years has welcomed the independent assurance of the Council Treasury Management activities, by the Council's Treasury Management advisors.

The Governance and Audit Committee will continue to look to gain assurance of sound treasury management practices and strategy. This is vital work, which will both safeguard and deliver best value from the Council's borrowing and investments. The Committee has and will continue to seek assurance that the levels and profiles of investments and borrowing are appropriate and in line with the Treasury Management Practices, Strategy and Reports presented.

### **6.4 Schools Governance & Compliance**

The Committee has raised concerns about governance and compliance matters in schools and school-traded services for some time, which are regularly responsible for a greater proportion of audit reports giving concern. Through overseeing the work of internal audit, we have observed that certain schools have not achieved a satisfactory level of stewardship and internal control.

In view of an ongoing need for regular school governance assurance, we arranged early engagement with the incoming Director of Education and Lifelong Learning after their appointment this year, and we discussed the arrangements for monitoring controls and progress of governance improvements in schools. We were advised that actions had been taken with new staff resources and responsibilities assigned to support coordination and improvements. We will monitor the position through the information and assurance we receive from Internal Audit, and we look forward to ongoing engagement with the new Director. This is with the understanding that the Governance and Audit Committee can request the attendance of those directly responsible for governance at an individual school level, to a Committee meeting, in the event that assurances are not considered as sufficient.

The Internal Audit Team adapted its approach to school audits this year. Fewer individual school audits were completed than usual, but all schools were engaged with through a Control Risk Self-Assessment (CRSA) exercise. Through this exercise, schools responded to a detailed set of questions on governance, risk, compliance and control and submitted a portfolio of evidence to support their

assertions. We are advised that the Internal Audit team sampled 25% of Cardiff schools, through a desktop review, to provide a broad level of baseline assurance. Given the operational adjustments that schools needed to make throughout 2020/21, the approach to auditing schools has been pragmatic, and we welcome the outcomes of a range of individual school audits arranged for 2021/22.

The Committee acknowledges that the Council is not able to set rules for schools to adhere to regarding contracting matters, albeit advice can be offered on good practice. This area of interest remains a priority of the Committee and we continue to support the production and use of best practice guidance in schools to strengthen financial stewardship and control.

## **7. Looking ahead to 2021/22**

During the forthcoming municipal year, we will continue to be guided by the professional advice of our Corporate Director Resources, Audit Manager and the Internal and External Audit teams.

Our work programme has been expanded and agenda items are being arranged to cover our full range of responsibilities in accordance with the Local Government and Elections (Wales) Act 2021, of our renamed Governance and Audit Committee. Our programme of work will include monitoring the management of the existing matters highlighted in section 6 of this report (the 'Opinion of the Committee for 2020/21') as well any new issues, which require our attention.

We will continue to deliver our responsibilities with the necessary level of flexibility to deliver our role comprehensively, through relevant engagement and consultation with relevant officers and stakeholders both within and outside of formal Committee meetings.

## 8. Committee Membership 2020/21

The Committee consists of four Independent Lay Members and eight Councillors, elected by Council (detailed in Annex 4). Independent members are appointed for no more than two administrative terms with Council Members reappointed annually. Prior to the municipal year-end, one Independent Lay Member had resigned and arrangements were being put in place for a new recruitment exercise.

The Committee has been serviced by Council Officers, principally the Corporate Director Resources (Section 151 Officer), and the Audit Manager. Representatives from Audit Wales have also attended Committee meetings.

The Audit Committee met on 6 occasions throughout the municipal period 2020/21 on the following dates: 28 July 2020; 8 September 2020; 20 October 2020; 17 November 2020; 26 January 2021 and 23 March 2021. Due to COVID-19 restrictions, the meeting planned for 23 June 2020 was cancelled.

## 9. Attendance in 2020/21

### Committee Meeting Attendance

Attendance 2020/21	Possible	Actual
<b>Independent Lay Members</b>		
Hugh Thomas (Chairperson)	6	6
Gavin McArthur (Deputy Chairperson)	6	5
David Price	6	6
Ian Arundale (stood down on 23.03.21) (period of agreed leave of absence 28.11.19 – 23.03.21)	0	0
<b>Non-Executive Councillors</b>		
Councillor Jayne Cowan (appointed 26.11.20)	2	2
Councillor Stephen Cunnah	6	5
Councillor Russell Goodway (appointed 23.07.20)	6	3
Councillor Nigel Howells	6	6
Councillor Keith Jones (appointed 18.03.21)	1	0
Councillor Ashley Lister (stood down on 14.12.20)	4	2
Councillor McKerlich (stood down 08.10.20)	2	2
Councillor Elaine Simmons	6	0
Councillor Kanaya Singh	6	1
Councillor Joel Williams	6	6

All Committee Members received induction training prior to attending Audit Committee meetings.

## 10. Contacts

<b>David Hugh Thomas</b> Chairperson of the Governance and Audit Committee	<i>Please contact via the Audit Manager</i>
<b>Christopher Lee</b> Corporate Director Resources	029 2087 2300 <a href="mailto:Christopher.lee@cardiff.gov.uk">Christopher.lee@cardiff.gov.uk</a>
<b>Chris Pyke</b> Audit Manager	029 2087 3455 <a href="mailto:cpyke@cardiff.gov.uk">cpyke@cardiff.gov.uk</a>
<b>Derwyn Owen</b> Engagement Director (Financial Audit), Audit Wales	07909 882609 <a href="mailto:Derwyn.Owen@audit.wales">Derwyn.Owen@audit.wales</a>
<b>Phil Pugh</b> Audit Manager (Financial Audit), Audit Wales	07964 118615 <a href="mailto:phil.pugh@audit.wales">phil.pugh@audit.wales</a>
<b>Sara-Jane Byrne</b> Audit Manager (Performance Audit), Audit Wales	07786 111385 <a href="mailto:sara-jane.byrne@audit.wales">sara-jane.byrne@audit.wales</a>



## **Audit Committee Terms of Reference 2020/21**

### Statement of Purpose

- Our Audit Committee is a key component of Cardiff Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- The purpose of our Audit Committee is to provide independent assurance to the members of Cardiff Council, and its wider citizens and stakeholders, on the adequacy of the risk management framework and the internal control environment. It provides an independent review of Cardiff Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

### Governance, Risk & Control

- To review the Council's corporate governance arrangements against the good governance framework, including the ethical framework and consider annual governance reports and assurances.
- To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account the internal audit opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control.
- To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- To consider the Council's framework of assurance and ensure that it adequately addresses the risk and priorities of the Council.
- To monitor the effective development and operation of risk management in the Council.
- To monitor progress in addressing risk-related issues reported to the Committee.
- To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- To monitor the Counter-fraud strategy, actions and resources.
- To review the governance and assurance arrangements for significant partnerships or collaborations.

### Internal Audit

- To approve the Internal Audit Charter.
- To review proposals in relation to the appointment of external providers of internal audit services and to make recommendations.

- To approve the risk-based internal audit plan, containing internal audit's resource requirements, the approach to using other sources of assurances and any work required to place reliance upon those other sources.
- To approve significant interim changes to the risk based internal audit plan and resource requirements.
- To make appropriate enquiries of both management and the audit manager to determine if there are any inappropriate scope or resource limitations.
- To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Audit Manager. To approve and periodically review safeguards to limit such impairments.
- To consider reports from the Audit Manager on Internal Audit's performance during the year including the performance of external providers of internal audit services. These will include:
  - Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work
  - Regular reports on the results of the Quality Assurance and Improvement Programme (QAIP)
  - Reports on instances where the internal audit function does not conform to the PSIAS and Local Government Application Note (LGAN) considering whether the non- conformance is significant enough that it must be included in the Annual Governance Statement.
- To consider the Audit Manager's annual report:
  - The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit
  - The opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control together with a summary of the work supporting the opinion – these will assist the Committee in reviewing the Annual Governance Statement.
- To consider summaries of specific internal audit reports as requested.
- To receive reports outlining the action taken where the Audit Manager has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
- To contribute to the Quality Assurance and Improvement Programme and in particular the external quality assessment of internal audit that takes place at least once every five years.
- To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.
- To provide free and unfettered access to the Audit Committee Chair for the Audit Manager, including the opportunity for a private meeting with the Committee.

#### External Audit

- To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- To consider specific reports as agreed with the external auditors.

- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To commission work from internal and external audit.
- To advise and recommend on the effectiveness of relationships between external and internal audit and other inspector agencies or relevant bodies.

### Financial Reporting

- To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
- To seek assurances that the Council has complied with the Treasury Management Strategy and Practices by demonstrating effective control of the associated risks and pursuing optimum performance consistent with those risks.

### Accountability Arrangements

- To report to Council on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
- To report to Council on an annual basis and to publish an annual report on the Committee's work, its performance in relation to the Terms of Reference, and its effectiveness in meeting its purpose.
- To raise the profile of probity generally within the Council and to report on matters of concern to the individual Cabinet Member, relevant Scrutiny Committee, Cabinet or to Council as necessary and appropriate.
- To work in synergy with the five Scrutiny Committees of the Council and liaise with other Council Committees as and when appropriate to avoid duplication in work programmes.

### Training & Development

- To attend relevant training sessions in accordance with the Member Development Programme including specialist training tailored for Members of the Audit Committee e.g. Treasury Management.

**Self-Assessment Action Plan**

**January 2021**

	<b>Action</b>	<b>Status / Target</b>
1.	All Committee Members to ensure they have completed an Individual Assessment (against the CIPFA knowledge and skills framework).	Ongoing Activity Targeted completion 31 March 2021
2.	For tracking and reporting purposes, in any cases where the Committee raises recommendations, these will be recorded on a recommendation tracker, to be monitored separately from the actions log and reported to each Committee meeting.	Ongoing Activity Commencing March 2021
3.	Audit Committee to communicate via the Audit Manager, the requirement for Directors to address the following areas in their internal control environment reports, whilst providing any specific further information, as requested: <ul style="list-style-type: none"> <li>• A greater focus on directorate-level risks and governance</li> <li>• Evidence or further detail of external assurance reports and findings</li> <li>• Measures of directorate value for money</li> </ul>	To be in place as appropriate for any future senior officer Committee attendance.
4.	Relevant Senior Officers to be asked to provide information to future Committee meetings on the governance and control arrangements in place for major projects e.g. Leisure Services and the Schools Organisational Programme.	

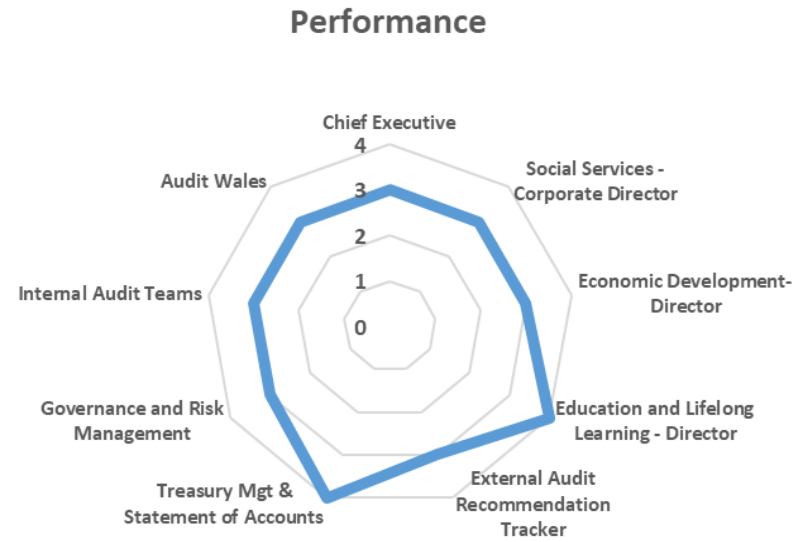
## Committee Attendee Feedback

## Annex 3

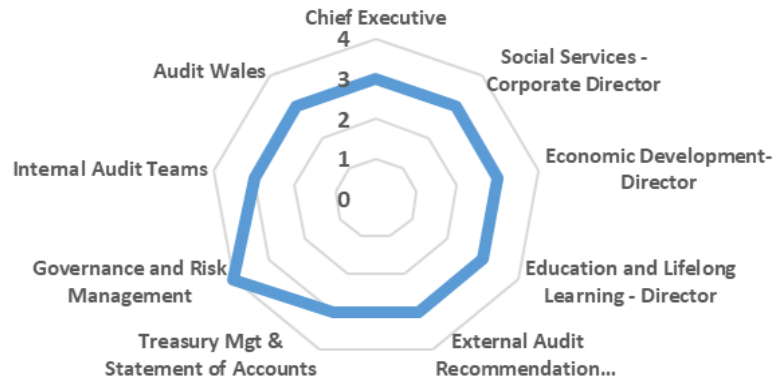
The Committee requested feedback from those it engaged with in Committee meetings in respect of 'performance', 'assurance and influence' and 'discussion and engagement'.

The results for 2020/21 were as follows

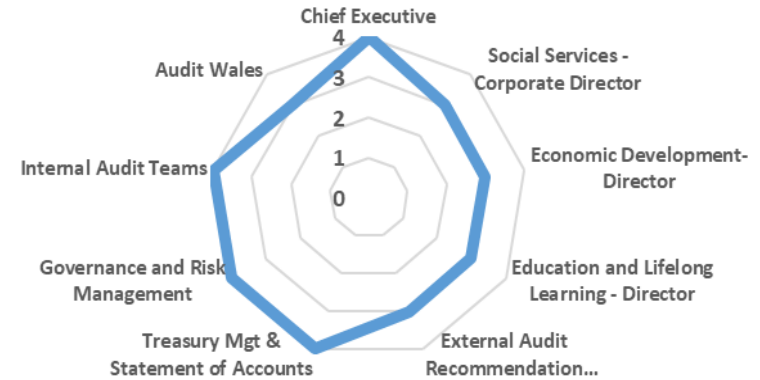
Key	Score
1	Poor
2	Satisfactory
3	Good
4	Excellent






### Discussion and Engagement










### Assurance and Influence (value)




Current Membership

	<p>Hugh Thomas, a retired Solicitor, pursued a Local Government career for forty years culminating in his being Chief Executive of Mid Glamorgan County Council (the largest local authority in Wales) for fifteen years. During this time, he served as Clerk to the South Wales Police Authority and Honorary Secretary of the Assembly of Welsh Counties. He retired in 1995.</p> <p>He has since chaired a number of public bodies and national voluntary organisations including those in the health and higher education sectors. He was Vice Chairman and Chair of the Audit Committee of the Wales Centre for Health.</p> <p>He was also a non-Executive Director of Welsh Water. He served as Chairman of The Regulatory Board for Wales 2010 – 2016.</p> <p>He has served a term of fifteen years as a Trustee of The National Library of Wales. For more than 5 year’s he occupied the position of the Deputy Chairperson of the Audit Committee of Cardiff Council, and was appointed as Chairperson in January 2020.</p>
<p><b>Hugh Thomas</b> <b>(Chairperson)</b> (Independent Lay Member)</p>	<p>Gavin McArthur is an experienced internal audit and governance professional and qualified accountant. He was Head of Governance and Assurance for the Ministry of Justice Estates Directorate. He has also held senior management roles in internal audit functions in the private sector, local and central government. He has also worked in internal audit for a FTSE 250 company.</p> <p>His professional experience and expertise lie in the fields of internal control, risk management, governance, internal audit, business case review, and performance management. He was appointed as Vice Chair of the Governance and Audit Committee of Cardiff Council in January 2020, and is Vice Chair of the Warwickshire Police Joint Audit and Standards Committee.</p> <p>Following a degree in Geological Sciences from Birmingham University, Gavin qualified as a CIPFA accountant with Coventry City Council where he undertook a range of financial management and accounting roles, including audit.</p> <p>A keen sportsman, who played semi-professional football, Gavin has coaching qualifications in rugby, goalkeeping and strength &amp; conditioning. He currently coaches goalkeeping for a university football team and for many years coached at a local rugby club, he is also an experienced Tai chi practitioner.</p>
	<p>David Price is a self-employed Higher Education Consultant who provides bespoke services for UK, EU and North African clients. He formerly spent 25 years working for a number of UK universities and non-governmental departmental bodies in strategic planning and policy roles and served as a Pro Vice-Chancellor for a prominent Welsh university.</p> <p>Educated at the universities of Sheffield and Newcastle-Upon-Tyne and at schools in the UK and abroad, David is a graduate of the Leadership Foundation for Higher Education’s Top Management Programme.</p> <p>David’s professional interests focus on the development and application of performance systems, business intelligence, risk management, regulation and governance.</p>
<p><b>Gavin McArthur</b> <b>(Deputy Chair)</b> (Independent Lay Member)</p>	
<p><b>David Price</b> (Independent Lay Member)</p>	


 <p><b>Cllr Jayne Cowan</b> (Welsh Conservatives)</p> <p><i>(joined Audit Committee 26.11.20)</i></p>	<p>Serving the <b>Rhiwbina</b> Ward</p> <p><b>Terms of Office:</b> 06/05/1999 - 10/06/2004 10/06/2004 - 01/05/2008 01/05/2008 - 03/05/2012 03/05/2012 - 04/05/2017 04/05/2017 -</p> <p><b>Serving on the following Committees:</b> <a href="#">Appointments Committee - Recruitment of Glamorgan Archivist</a> Cardiff Council <a href="#">Council</a> <a href="#">Glamorgan Archives Joint Committee</a> Cardiff Council <a href="#">Governance and Audit Committee</a> <a href="#">Policy Review and Performance Scrutiny Committee</a></p> <p><b>Outside Bodies:</b> <a href="#">South Wales Police and Crime Panel</a></p>
 <p><b>Cllr Stephen Cunnah</b> (Welsh Labour)</p>	<p>Serving the <b>Canton</b> Ward</p> <p><b>Terms of Office:</b> 04/05/2017 -</p> <p><b>Serving on the following Committees:</b> <a href="#">Children and Young People Scrutiny Committee</a> <a href="#">Council</a> <a href="#">Glamorgan Archives Joint Committee</a> Cardiff Council <a href="#">Governance and Audit Committee</a> <a href="#">Standards &amp; Ethics Committee</a></p> <p><b>Outside Bodies:</b> <a href="#">Chapter (Cardiff) Limited</a></p>
 <p><b>Cllr Russell Goodway</b> (Welsh Labour)</p> <p><i>(joined Audit Committee 23.07.20)</i></p>	<p>Serving the <b>Ely</b> Ward</p> <p><b>Terms of Office:</b> 04/05/1995 - 06/05/1999 06/05/1999 - 10/06/2004 10/06/2004 - 01/05/2008 01/05/2008 - 03/05/2012 03/05/2012 - 04/05/2017 04/05/2017 -</p> <p><b>Serving on the following Committees:</b> <a href="#">Appointments Committee - Assistant Director, County Estates</a> <a href="#">Appointments Committee - Programme Director, School Organisation Programme</a> <a href="#">Cabinet</a> Cabinet Member for Investment &amp; Development <a href="#">Constitution Committee</a> (Chair) <a href="#">Council</a> <a href="#">Democratic Services Committee</a> <a href="#">Governance and Audit Committee</a></p> <p><b>Outside Bodies:</b> <a href="#">Cardiff Airport Consultative Committee</a> <a href="#">Cardiff Business Technology Centre (CBTC)</a> <a href="#">Consortium of Local Authorities in Wales (CLAW)</a> <a href="#">WLGA</a></p>

 <p><b>Cllr Nigel Howells</b> (Welsh Liberal Democrats)</p>	<p>Serving the <b>Adamsdown</b> Ward</p> <p><b>Terms of Office:</b> 06/05/1999 - 10/06/2004 10/06/2004 - 01/05/2008 01/05/2008 - 03/05/2012 03/05/2012 - 04/05/2017 04/05/2017 -</p> <p><b>Serving on the following Committees:</b> <a href="#">Council</a> <a href="#">COVID-19 Scrutiny Panel</a> <a href="#">Economy &amp; Culture Scrutiny Committee</a> (Chair) <a href="#">Governance and Audit Committee</a> <a href="#">Pensions Committee</a></p>
 <p><b>Cllr Keith Jones</b> (Welsh Labour)</p> <p><i>(joined Audit Committee 18.03.21)</i></p>	<p>Serving the <b>Llanrumney</b> Ward</p> <p><b>Terms of Office:</b> 03/05/2012 - 04/05/2017 04/05/2017 -</p> <p><b>Serving on the following Committees:</b> <a href="#">Appointment Committee - Head of Planning</a> <a href="#">Constitution Committee</a> <a href="#">Council</a> <a href="#">Glamorgan Archives Joint Committee</a> Cardiff Council <a href="#">Governance and Audit Committee</a> <a href="#">Planning Committee</a> (Chair)</p> <p><b>Outside Bodies:</b> <a href="#">Cymric Building Preservation Trust</a> <a href="#">Flat Holm Consultative Group</a></p>
 <p><b>Cllr Elaine Simmons</b> (Welsh Labour)</p>	<p>Serving the <b>Caerau</b> Ward</p> <p><b>Terms of Office:</b> 03/05/2012 - 04/05/2017 04/05/2017 -</p> <p><b>Serving on the following Committees:</b> <a href="#">Council</a> <a href="#">Governance and Audit Committee</a></p>
 <p><b>Cllr Kanaya Singh</b> (Welsh Labour)</p>	<p>Serving the <b>Riverside</b> Ward</p> <p><b>Terms of Office:</b> 04/05/2017 -</p> <p><b>Serving on the following Committees:</b> <a href="#">Children and Young People Scrutiny Committee</a> <a href="#">Council</a> <a href="#">Governance and Audit Committee</a></p> <p><b>Outside Bodies:</b> <a href="#">Cardiff Bus</a></p>



 <p><b>Cllr Joel Williams</b> (Welsh Conservatives)</p>	<p>Serving the <b>Pontprenau &amp; Old St Mellons</b> Ward</p> <p><b>Terms of Office:</b> 04/05/2017 -</p> <p><b>Serving on the following Committees:</b>  <a href="#">Appointments Committee - Assistant Director, Adult Services</a>  <a href="#">Appointments Committee - Assistant Director, Children's Services</a>  <a href="#">Appointments Committee - Assistant Director, Education &amp; Lifelong Learning</a>  <a href="#">Appointments Committee - Chief Human Resources Officer</a>  <a href="#">Appointments Committee - Director Education &amp; Lifelong Learning</a>  <a href="#">Appointments Committee - Principal Lawyer Litigation</a>  <a href="#">Appointments Committee - Programme Director, Schools Organisational Planning Council</a>  <a href="#">Council Appeals Committee</a>  <a href="#">Governance and Audit Committee</a>  <a href="#">Standards &amp; Ethics Committee</a></p> <p><b>Outside Bodies:</b>  <a href="#">Cardiff University Court</a>  <a href="#">South Wales Fire &amp; Rescue Authority</a></p>

## Members who left In-Year

 <p><b>Ian Arundale</b> (Chair) (Independent Lay Member)</p> <p><i>Approved leave of absence commencing 28/11/19</i></p> <p><i>(stood down 23.03.21)</i></p>	<p>Ian Arundale is a self-employed Law Enforcement and Security Consultant. He is currently working for Cleveland Police on a short-term contract addressing a range of development areas. He was a police officer for 32 years serving in South Wales, West Mercia and Dyfed-Powys Police Forces rising to the rank of Chief Constable at Dyfed Powys.</p> <p>Ian was the UK lead on behalf of the Association of Chief Police Officers (ACPO) for 'Armed Policing' policy and practice and chaired the UK 'Conflict Management' portfolio. He acts as an advisor and expert witness in high profile cases such as fatal police shootings, inquests and public inquiries.</p> <p>He works internationally and has recently assisted police forces and organisations in the far east, USA and New Zealand.</p> <p>Ian holds a diploma in Applied Criminology from Cambridge University, an MSc (Econ) degree in Criminology and Criminal Justice from Cardiff University and a BA (Hons) degree in Police Studies. He is a Fulbright Fellow and a graduate of the Prime Ministers 'Top Management' programme.</p> <p>In addition to his role with work with Cardiff Council, he is also the Chairman of the Discipline Committee of the Royal College of Veterinary Surgeons and a board member of the International Law Enforcement Forum (ILEF). He was awarded the Queens Police Medal (QPM) in 2011.</p>



**Cllr Ashley Lister**  
(Welsh Labour)

*(stood down 14.12.20)*

Serving the **Grangetown** Ward

Terms of Office: 04/05/2017 –

**Serving on the following Committees:**

[Appointments Committee - Assistant Director, Children's Services](#)  
[Appointments Committee - Assistant Director, Education & Lifelong Learning](#)  
[Community & Adult Services Scrutiny Committee](#)  
[Constitution Committee](#)  
[Corporate Parenting Advisory Committee](#)  
[Council](#)  
[Local Authority Governor Panel](#)  
[Policy Review and Performance Scrutiny Committee](#)

**Outside Bodies:**

[South Wales Fire & Rescue Authority](#)



**Cllr Rod McKerlich**  
(Welsh Conservatives)

*(stood down 08.10.20)*  
*appointed Lord Mayor*

Serving the **Radyr & Morganstown** Ward

Terms of Office: 01/05/2008 - 03/05/2012  
03/05/2012 - 04/05/2017  
04/05/2017 -

**Serving on the following Committees:**

[Appointments Committee - Assistant Director, Adult Services](#)  
[Council](#) (Lord Mayor)