



Governance and Audit Committee Annual Report 2021/22

Cardiff Council



Gweithio dros Gaerdydd, gweithio gyda'n gilydd
Working for Cardiff, working together

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

I must open with the same sentiments as our Committee's last annual report, by recognising that there can be no doubt that this has been a very challenging year for Cardiff Council, for 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 Governance and Audit Committee has continued to be 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. Notably, 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 risk-based work and focus of internal audit, and 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.

The local government elections in May 2022, have brought changes to the Elected Member composition of our Committee for the municipal year ahead, for which I wish to record the following.

- Firstly, I give particular recognition to Councillor Howells, who did not stand for re-election, and has stood down as a Member of our Committee after many years of valued service. On behalf of the Governance and Audit Committee, I send our very best wishes for the future.
- I record thanks on behalf of our Committee for the valued services of Councillor Cowan, Councillor Cunnah, Councillor Jones, Councillor Simmons, and Councillor Singh, who remain as Elected Members but have stood down from serving on our Committee. We look forward to working with you in your capacity as Elected Members.
- I welcome Councillor Ahmed, Councillor Carr, Councillor Lewis, Councillor Moultrie, Councillor Palmer and Councillor Waldron who are joining our Committee for the municipal year ahead, and to whom we look forward to working with. Induction training is provided to support new Members before they attend their first meeting.

As we seek assurances on good governance, risk management and internal control across the Council, I must recognise the value of the effective professional working relationships we have benefitted from.

- The Committee received reports from members of the Senior Management Team (SMT) on their Directorate Control Environments throughout the year. This has given our Committee a good opportunity to engage with members of SMT individually, and to seek relevant assurance in their respective areas of responsibility.

- Throughout the year, our Committee has benefited from the highly professional support of senior officers in Accountancy, External Audit (Audit Wales), Treasury Management, Risk and Performance Management. Both myself and my Vice Chairperson (Gavin McArthur) have regular and ongoing engagement with the Audit Manager and the Corporate Director Resources (Section 151 Officer). With their respective responsibilities for independent assurance and the prudent management of the Council's financial affairs, this engagement is of particular importance and value.
- We have taken steps to establishing a meaningful partnership between our Committee and the Scrutiny Committees of the Council in light of our new statutory duties arising from the Local Government and Elections (Wales) Act 2021. In December 2021, I attended a Scrutiny Chairs' Liaison Forum and we agreed principles of sharing and informing the respective Committees of Committee work programmes, enquiries and outcomes. The awareness and insight we receive is valuable as we consider our own work programme and enquiries.
- We engage with the Chairpersons and Chief Auditors across Welsh Local Authorities through an All-Wales Governance and Audit Committee Chairs' Network, with formal meetings held at least annually. Meetings have been attended by representatives from Audit Wales, the Chartered Institute of Finance and Accountancy, and the Welsh Local Government Association and we continue to benefit from this important forum of peers and expert advisors.

The Governance and Audit Committee Work Programme is received at each Committee meeting. Changing risks and priorities are 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 2021/22.

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 2022, 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 to 2022/23, 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, rising energy costs, an increasing demand for public services and ever improving performance, a challenging financial environment is inevitable.

In our role as Governance and Audit Committee in the year ahead, the importance of assurance and oversight will remain critical as we discharge our responsibilities with close attention and care.

D. H. Thomas. Chairperson

2. The Role of the Governance and Audit Committee

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

The Terms of Reference of the Governance and Audit Committee for 2021/22 is included within Annex 1 from which an overview of its role is summarised in the following statement of purpose:

Statement of Purpose

- Our Governance and 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 Governance and 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, then internal control environment, and the performance assessment of the Council. It provides an independent review of the Council's governance, performance assessment, 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 2021/22

The Governance and 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 2021/22. 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 2021/22, including:

- Draft Statement of Accounts 2020/21 and ISA 260 Audit Report
- Draft Annual Governance Statement 2020/21
- Cardiff & Vale of Glamorgan Pension Fund Statement of Accounts 2020/21 and ISA 260 Audit Report
- Treasury Management reports, independent review, and updates
- Financial Resilience updates

The Governance and Audit Committee considered the unaudited draft Statement of Accounts 2020/21 of Cardiff Council including Cardiff Harbour Authority, and the Cardiff and the Vale of Glamorgan Pension Fund in July 2021. Our committee has commended the work of those officers involved in preparing a comprehensive set of accounts during challenging times.

A special subsequent Committee meeting was arranged to consider and discuss the corresponding International Standard on Auditing (ISA) 260 Reports for the annual accounts of Cardiff Council and the Harbour Authority in October 2021 with external audit (Audit Wales). Committee received the audit report and the accounts of the Cardiff and Value of Glamorgan Pension Fund in November 2021. Unqualified audit opinions were provided on the accounts, and Committee was advised that the main amendments resulting from the audits were presentational and technical

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, and measures and reports assurance of the Council’s governance arrangements. Core components of the AGS are:

1. A Senior Management Assurance Statement (SMAS) and assessment of good governance.
2. The Audit Managers opinion on the Council’s control environment based on the programme of Internal Audit work.
3. The Governance and Audit Committee’s opinion of good governance, risk management and internal control.

The Governance and Audit Committee reviewed the AGS 2020/21 in July 2021. The Committee will review the AGS 2021/22 following the financial year-end, in which the ‘Opinion of the Committee for 2021/22’ (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 2021	<ul style="list-style-type: none"> ▪ Draft Annual Governance Statement 2020/21 ▪ Corporate Risk Management (Q4 Update) 2020/21
November 2021	<ul style="list-style-type: none"> ▪ Corporate Risk Management (Q2 Update) 2021/22
January 2022	<ul style="list-style-type: none"> ▪ Senior Management Assurance Statement Mid-Year 2021/22
March 2022	<ul style="list-style-type: none"> ▪ Corporate Risk Management (Q3 Update) 2021/22

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. We have continued to receive an overview of the Council’s Senior Management Assurance Statements twice a year, 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.

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 ‘3.7 - Control environment Reviews’, and ‘3.8 - Areas of Particular Focus’ of this report.

3.3 Performance

Our Committee has new responsibilities from the Local Government and Elections (Wales) Act 2021:

- To review the Council’s draft annual Self-Assessment Report for the financial year 2021/22, and each financial year thereafter, and make any appropriate recommendations for changes.

- When prepared at least once each electoral cycle, to consider the Council’s Panel Performance Assessment Report, review the draft Council response, and make recommendations for changes.

As we have worked towards delivering these new roles, Gareth Newell, Head of Performance and Partnerships, presented an item on Planning and Performance Management to our Committee in September 2021, where we discussed the framework and approach in detail.

Our Committee has a responsibility to review overall performance systems and arrangements in place, whereas scrutiny Committees are responsible for scrutinising specific performance issues relative to their terms of reference and executive decision making.

- The work of Scrutiny Committees as they relate to performance issues will feed into the Annual Wellbeing Report of the Council which will be shared with the Governance & Audit Committee in September 2022.
- Our Committee will then review and make recommendations, in relation to the high-level issues around securing the performance requirements using the governance infrastructure of the Council rather than recommendations of the specific performance issues which are to continue to be dealt with by Scrutiny Committees themselves.

Our Committee considered the mid-year self-assessment report 2021/22 in January 2022, at which point we were advised of the approach taken and the resulting outcomes. We will formally review the self-assessment report for 2021/22, which is due to be presented to us by the Chief Executive.

Our Committee has a further performance responsibility arising from the Act, to review and assess the authority’s ability to handle complaints effectively, and to make any associated reports and recommendations. Details of this work are included in section ‘3.8 – Particular Areas of Focus’ of this report.

3.4 Treasury Management

The Governance and 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 2020/21, Mid-Year Report 2021/22 and the Treasury Management Strategy 2022/23.

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 Governance and Audit Committee in its role, Members of the Committee were provided with treasury management training in January 2020 from the Council’s external treasury advisors. Arrangements are being made for further Committee training following the financial year-end 2021/22.

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.

3.5 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 Review Bodies Recommendation Tracker
- National and Council Reports
- Annual Audit Summary 2021
- Audit of Accounts Reports 2020/21

The Committee has received regular updates from Audit Wales, led by Derwyn Owen (Engagement / Financial Audit Director), Phil Pugh (Financial Audit Manager) and Sara-Jane Byrne (Performance Audit Manager). In addition to Cardiff specific studies, Committee Members received national and local financial sustainability reports from Audit Wales, with the key findings and messages discussed.

Reports

The Committee reviewed National and Local Sustainability Reports in our Committee meeting in November 2021. In their National report Audit Wales reported that "funding from Welsh Government to help with the pandemic has meant that councils are financially stable for now but face some challenges in the future." In the local report, Audit Wales reported that "the Council faces a number of key financial risks and has a significant medium-term budget gap but has arrangements in place to manage its financial sustainability."

The Committee has received a management response to the three 'proposals for improvement' arising from the local report and will monitor progress through a tracker of recommendations from external review bodies, for which further details are provided below.

Recommendations

The Committee considered a recommendation tracker of external review body reports on a biannual basis during the year. The tracker has developed since it was originally introduced in January 2021, at which time it covered the recommendations of Audit Wales only, and it has since expanded to cover wider review bodies such as HM Inspectorate of Prisons (HMIP), Care Inspectorate Wales (CIW) and Estyn.

There is a commitment to using the tracker to reinforce accountability for addressing recommendations. The tracker will continue to be considered by the Committee twice a year, and supplemented with details of the Committees of the Council or Boards that the various reports and recommendations have been reported to, for our information and assurance.

Wider Reports

We received the Annual Audit Summary 2021 from Audit Wales in January 2022, which reported an outline of the work undertaken in 2020/21, the findings, an overview of reports published by other regulatory bodies, and an overview of planned work.

The Committee's review of the Audit of Accounts Reports and Audit Certificates 2020/21 is outlined in 'Section 3.1 – Finance'.

3.6 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 Governance and 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).

The Internal Audit Charter and the Internal Audit Plan 2021/22 were accepted by the Governance and Audit Committee in March 2021. At this time, the Committee also considered the Audit Strategy. The priorities and approach of the audit team were to deliver a combination of management support through consultation and engagement in high-risk areas, and to progress targeted assurance engagements from the Audit Plan. The Internal audit Team achieved 61% of Audit Plan this year against a target of 70%. During the year, the Team has faced reduced capacity which has affected delivery of the Audit Plan, most notably from a small number of long-term sickness cases. The Audit Manager has advised the Committee that in the context of reduced staff resource, it is considered that an effective outcome was achieved in terms of audit delivery, coverage, and focus.

The majority of audit consultancy and support has been provided in respect of the administration of Welsh Government COVID-19 funds for a range of grant and relief payment schemes. The focus has been to provide guidance on the design and implementation of effective controls in the administration these schemes to achieve compliance and control, and arrangements for the effective prevention and detection of fraud.

The Committee received the following key documents during the year:

- Internal Audit Strategy, Charter, and Plan
- Internal Audit and Investigation Team Progress Reports
- Internal Audit Recommendation Tracker
- Internal Audit and Counter-Fraud Annual Reports
- Changes to key documents and Internal Audit and Investigation Team action plan updates.

The Audit Plan 2021/22 included audits of a thematic nature to gain assurance in each directorate across the Council. The thematic work this year related to pre-contract assurance. In respect of schools, thematic audits of health and safety and asset management were completed.

An overview of all issued audit reports has been provided to the Governance and Audit Committee, with emphasis given to recommendations allocated a priority rating of Red or Red / Amber. The

Committee has received and had an opportunity to review 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 have written to a small number of directors who have had particularly overdue recommendations in their portfolio.

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. Arrangements are being made through for the next external peer assessment to be undertaken by Monmouthshire Council during 2022/23. The Governance and 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 2021/22 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 Governance and 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 Committee has received information this year on the Council's participation in International Fraud Awareness week in November 2021, data matching and manual checks both in respect of business-as-usual case work and cases associated with the administration of Welsh Government grant funding associated with the pandemic to individuals and businesses.

One-off Items

The Governance and 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 our new performance responsibilities areas, and areas of good governance, risk management and control this year with particular focus and details are provided below.

3.7 Control Environment Reviews

a. Council Control Environment

The Committee receives an annual overview of the Council's control environment from Paul Orders, Chief Executive. The Council's control environment update comprises an outline of, and assurance on, the Council's overall arrangements for governance, risk management and internal control. Our 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 timing of the control environment update from the Chief Executive has been aligned with the timing of reporting on the annual performance self-assessment, and we have invited the Chief Executive to attend our Committee meeting in September 2022 to discuss the year-end position in respect of 2021/22. The Chief Executive attended our Committee in March 2021 to present a report on the Council's control environment in respect of the prior financial year (2020/21), and relevant details are contained within our previous annual report.

b. Directorate Control Environment Reviews

One Corporate Director and three further Directors attended Governance and Audit Committee meetings in 2021/22 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:

Governance and Legal Services

Davina Fiore, Monitoring Officer and Director of Governance and Legal Services attended a Committee meeting in September 2021 to provide a directorate control environment update.

We received background information on the structure and management of services, relevant performance details and operational context, and an overview and details of directorate risks and the arrangements for their identification and management. Committee was also provided with information on the internal audit reports received, and the progress in delivering related actions. Details of the wider control environment were also provided to us, comprising performance management, senior management assurance, external assurance, and value for money.

We asked for details of how directorate risks are identified and managed. We were advised that a Directorate Risk Register is in place and that significant risks, such as Safeguarding Children, are escalated to the Corporate Risk Register. A Risk Champion supports the coordination of risk management by attending Management Teams meetings through which the mitigations for each risk are monitored. We were also advised that some major directorate risks are managed by project teams, such as the Election Project Team, which has an elections risk register that identifies potential risks in finer detail.

Planning Transport and Environment

Andrew Gregory, Director of Planning Transport and Environment provided our Committee with a Directorate Control Environment Overview in November 2021.

We received an account and examples of how the directorate management team oversee governance, risk management and internal control across the directorate. We were also provided with details of the management of priority risks overseen by the directorate, the working relationship with internal audit for independent assurance, directorate performance arrangements and examples of value for money and partnership assurances. We discussed a range of matters referred to within the report we received.

In respect of the Senior Management Assurance Statement, we asked whether the 'mixed application' of good governance results were averages and whether there were any outliers that the Committee should be concerned about. The Director stated that a number of the areas have been

flagged for development including how service areas are delivering their Future Generations Act responsibilities and the governance in regional transport projects relationships. An action plan is in place to address the 'mixed application' results.

When discussing programme and project management, we were advised that programme and project management principles were being followed, but that the approach has not been standardised. We considered that there is scope to use a standardised approach, for assurance on the management of risk in a structured way.

As part of discussions on value for money arrangements, we were advised that each capital project has a business plan and against that there is clear quantified monitoring of income and other revenue and capital implications. We considered that it would be useful to have sight of what is being achieved in this regard in future Committee reports.

Resources

Chris Lee, Corporate Directorate Resources and Section 151 Officer provided our Committee with a Directorate Control Environment Overview in January 2022.

The report we received outlined how since the onset of the pandemic the directorate has played a key enabling role, whereby digital services supported staff to work from home, finance and procurement staff supported financial resilience and the commissioning of essential supplies, and HR staff supported solutions to business need (such as the temporary switch of staff from existing roles to priority front line posts).

We were also provided an overview of arrangements to oversee and maintain good governance, risk and performance management, and internal control. areas of good practice drawn upon included internal and external assurance arrangements, balanced scorecard approaches for managing performance, and examples of partnership and collaborative governance and value for money.

Our Committee discussed the report's contents, and we supported a management action arising from a senior management assurance exercise for central services to revisit benchmarking which was had not been undertaken in recent years.

We sought assurance on arrangements to learn from national and international security incidents and to test the council's incident management arrangements. We were advised that appropriate arrangements and corporate exercises are in place. We also discussed a risk relating to the analogue to digital shift for telecare customers by 2025. We were advised that this transition is being carefully managed to ensure there is no loss of service during any move to new technology.

Education and Lifelong Learning

Melanie Godfrey, Director of Education and Lifelong Learning provided our Committee with a Directorate Control Environment Overview in March 2022.

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.

Following appointment as Director, Melanie attended our Committee in March 2021. At this time, we were advised of the actions being taken to enhance existing arrangements, including assigning new staff resources and responsibilities to support coordination and oversight of improvements.

The report and presentation we received in March 2022 provided details of the management structure, achievements and priorities, governance, directorate risk management and internal audit assurance. We were also provided with some value for money examples.

- The Director advised our Committee that work is required in some key areas of governance, which has been captured through a mid-year senior management assurance statement assessment, for which targeted actions are being taken forward.
- We discussed a range of matters with the director arising from the report and presentation we received, ranging from the importance of the timely delivery of internal audit recommendations, the governance of school delegated budget balances, certain legal responsibilities, and opportunities to further develop value for money reporting. We received an account of the governance arrangement in place to manage various aspects of the directorate control environment, together with an acknowledgement that further improvements are being sought.
- Our Committee has noted the positive improvements made, as recognised in a recent Estyn report, and we will continue to keep a keen interest in the governance arrangements and assurance we receive in respect of schools and the wider education portfolio.

3.8 Areas of Particular Focus

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

Performance Self-Assessment

As outlined within section 3.3 – performance of this report, the Governance and Audit Committee has a responsibility arising from the Local Government and Elections (Wales) Act, to review the Council’s draft annual Self-Assessment Report for the financial year each year, and to make any appropriate recommendations for changes. We are also required to consider the Council’s Panel Performance Assessment Report, review the draft Council response, and make recommendations for changes. This latter report will be prepared at least once each electoral cycle.

This year we have considered that, in light of our new statutory duties in respect of performance, establishing a meaningful relationship between our Committee and the Scrutiny Committees was in the best interests of the Council. In December 2021, the Governance and Audit Committee Chairperson attended a Scrutiny Chairs Liaison Forum and we agreed principles of sharing and informing the respective Committees of Committee work programmes, enquiries and outcomes.

We also engage with peers through our All-Wales Governance and Audit Committee Chairs’ Network, to discuss new responsibilities, to share experiences, and to gain wider support and direction. Our Chair and Vice Chair attended the All-Wales Governance and Audit Committee Chairs’ Network in September 2021, hosted by Cardiff Council. In this meeting, the Head of Policy (Improvement and

Governance) from the Welsh Local Government Association provided information and discussion on the new responsibilities for Governance and Audit Committees relating to the Local Government and Elections (Wales) Act 2021, and the development of a programme of support. Audit Wales also delivered an interactive session to consolidate some of the learning from the Act.

Complaints Handling Arrangements

Our Committee has a new responsibility arising from the Local Government and Elections (Wales) Act, to review and assess the authority's ability to handle complaints effectively, and make any associated reports and recommendations. In delivering this role the Committee

- Received the Council 'Complaints and Compliments – Policy and Annual Report 2020/21', together with details of the Council's complaints and compliments systems and processes from Isabelle Bignall (Chief Digital Officer). We also considered a half-yearly report on the operation of corporate complaints procedures. We were advised of the arrangements being made to implement a council-wide system for recording and reporting on complaints. Upon request we received a subsequent overview of the preferred option for the new system, including details of the specification used to inform the procurement process. Going forward, we have set an expectation that future reports provide measures of the effectiveness of complaints handling in addition to raw data for us to meaningfully review the arrangements in place
- Discussed the arrangements in place for dealing with complaints relating to alleged breaches of the Members' Code of Conduct with Davina Fiore (Monitoring Officer and Director of Governance and Legal Services). We welcomed the overview, as we recognise the direct role of Standards and Ethics Committee in relation to any misconduct complaints referred by the Ombudsman and set out in the Local Government Investigations (Functions of Monitoring Officers and Standards Committees) (Wales) Regulations 2001.

We will continue to receive updates on complaints handling twice a year through substantive agenda items as we seek ongoing assurance on the effectiveness of complaints handling arrangements.

In our All-Wales Governance and Audit Committee Chairs' Network in September 2021, the Head of Complaints Standards from the Public Service Ombudsman for Wales provided information on work of the Complaints Standards Authority in Local Authorities, the data collected and a consideration of indicators of good performance.

Waste Management Control Environment

Our Committee has maintained a close interest in the internal control environment in Waste Management for which lower levels of assurance have typically been received from Internal Audit reports than for other areas of the Council. During recent years, the Service Area has also been subject to investigations into financial / control matters for which our Committee has received confidential briefings.

Neil Hanratty, the responsible Director for Waste Management, provided our Committee with an overview of governance, internal control and risk management within the service in a special Committee meeting that we held in December 2021. We heard from the Director and the Audit

Manager that there has been steady and sustained progress in recent years in the internal control environment, led by the senior management in place. We were advised that there are mechanisms for delivering and acting on improvement actions, and that there is a constructive two-way relationship with internal audit, in the planning of, and response to, assurance work.

In response to questions we raised during our discussion, we were advised that:

- Lower management assurance was reported in respect of compliance as a landfill aftercare issue has been identified, for which the Council is working with specialist waste contractors and consultants to address concerns regarding leachate emanating from a landfill site.
- Historically there have been internal control concerns in the Waste Management service, but controls have been tightened and a significant number of Internal Audit recommendations have been implemented. No recent audits have provided an 'unsatisfactory' audit opinion and focus remains on the journey of improvement. Audit Wales consider the work of Internal Audit, the reported findings and discussions with management when developing their work programme.
- Whilst there are high levels of sickness within the service, management advised that the corporate procedure was adequate, and attention is being given to ensuring it is consistently applied.
- Operational and Business Improvement Meetings are used to monitor customer feedback and complaints and service improvements and controls are being improved through the digitalisation of systems and the greater use of new technologies. The introduction of 'BarTec' (in-cab GPS) technology captures data which can be used to refine how the service is delivered.

Our Committee will maintain a close interest on the internal control environment in Waste Management and in doing so we will continue to seek assurance from management, Internal Audit and Audit Wales.

Education and Lifelong Learning Assurance

As referred to in section 3.7 – Control Environment Reviews, for a number of years, we have sought regular Education and Lifelong Learning assurance. We have focussed our attention in three key areas:

1. Internal Audit assurance on good financial management in school-traded services and on school governance.
 - School traded services were not directly audited this year, although at a summary level they were considered as part of directorate testing in respect of a directorate recovery planning audit for which the directorate has self-assessed strategic actions relating to business planning and resilience.
 - There were fewer adverse audit opinions assigned to schools over the year than in previous years, but an unsatisfactory assurance opinion was allocated to Cardiff West High School. Our Committee received an executive summary of the pertinent findings and the school has accepted the recommendations of the audit. A follow up audit is being arranged for assurance that the required actions have been implemented

2. The arrangements in place to manage school balances.

Our Committee received a briefing on school balances during January 2022, which provided:

- A breakdown of individual school balances at the 2020/21 financial year end with comparative prior year details, including details of Welsh Government revenue grants received during March 2021 which impacted year-end balances. Two schools had deficit balances, and there was a significant increase in surplus school balances.
- Details of the reasons for the increase in balances, comprising cost savings when schools were closed (premises and sickness / supply costs) and increased funding received for specific costs associated with the pandemic from Welsh Government.
- Information on the relaxation of the 2010 regulations in respect of surplus balances, notified by Welsh Government during the summer term 2021. In turn the Council's Head of Finance wrote to all Cardiff schools outlining a one-year relaxation of the local parameters for the management of surplus school balances.

We recognise that the pandemic has necessitated some changes to the management of school balances by the local authority on a temporary basis. In this setting we are seeking assurance from an internal audit engagement on school surplus balances, which commenced during March 2022.

3. The implementation of audit recommendations.

- The implementation of audit recommendations is important across all areas in order to deliver good governance, risk management and control. Across the Education and Lifelong Learning directorate which includes Cardiff's schools, a high number of audit recommendations are raised each year.
- Through reviewing the internal audit recommendation tracker each quarter, we recognise the need for ongoing attention in order to action recommendations in a timely manner across the Education and Lifelong Learning directorate.

4. Governance and Audit Committee Self-Assessment

Context and approach

In January 2022, the Governance and 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, Governance and 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 our Chair and Deputy Chair have considered and reflected on the feedback from those attending Governance and Audit Committee meetings on the performance and the value they gained from their attendance.

Self-Assessment

Individual Assessments were completed by five of the twelve Governance and Audit Committee Members.

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 2022, the results were as follows.

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

- Twenty-two areas were assessed as ‘fully in place’
- Two areas were assessed as ‘partly in place’
- One area was assessed as ‘not applicable’
- 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 (42%) the action should not be considered complete.
- When reflecting on Committee discussion and engagement, whilst we consider that we are effective in this regard, we acknowledge that discussions are not contributed to by all Members across the Committee. Engagement across the Committee is encouraged, and will continue to be advocated as part of induction processes, informal discussions and during Committee meetings.
- 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 Governance and 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 the Committee to delivering improvement in a range of areas.

Of the nine areas reviewed:

- One was assessed at point 5, with clear evidence from a number of sources that the Committee is actively supporting improvements.
- Seven areas were assessed at point 4, with clear evidence from some sources of the effective support for improvements.

- One area was assessed at point 3, as having mixed experience and evidence of Committee support.

The area scored as 'mixed' related to 'supporting the development of robust arrangements for ensuring value for money'. The Committee considered that whilst the level of detail provided in the reports from senior officers has been gradually improving in recent years, there is a need for the Committee to maintain the focus being given to value for money assurances when engaging with senior officers.

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

5. Key Observations 2021/22

The Governance and Audit Committee Work Programme has been developed and discharged with the support of Audit Wales, Internal Audit and other Council Officers, to deliver the Governance and 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 2021/22 and areas of particular interest going forward are documented in the following section.

6. Opinion of the Committee for 2021/22

Based on the evidence presented to the Governance and Audit Committee during 2021/22, it is the considered view of the 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 2022/23, 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 and other emerging challenges and issues.

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 settlement to the Council for the year ahead from Welsh Government represents a significant increase in cash terms compared to previous years. However, there have been additional costs to consider, including the introduction of a Real Living Wage in the Care Sector, and there will be no 2022/23 Hardship Fund from 1 April 2022.

The Committee is keen to observe effective arrangements for budget management and control during 2022/23. The Committee will carefully consider 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 consultation, advice and guidance provided by the Internal Audit and Investigation Teams to support management to design and uphold robust controls as they have 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 over the last two years 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 through reports of insufficient assurance, and one unsatisfactory audit opinion. Whilst the number of unsatisfactory Internal Audit opinions remain low, management must maintain sound systems of internal control and promptly address identified weaknesses.

We have maintained close interest on the robustness of controls in relation to the Waste Management function. In recent years, alongside a police referral and investigation, a wide-scale internal investigation into allegations of fraud was completed and disciplinary proceedings have concluded. We have received a confidential briefing (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.

The Committee met the Director responsible for Waste Management this year, to discuss governance, internal control and risk management within the service. We heard from the Director and the Audit Manager that there has been steady and sustained progress in recent years in the internal control environment, led by the senior management in place. Our Committee has been advised that there are mechanisms for delivering and acting on improvement actions, and that there is a constructive two-way relationship with Internal Audit, in the planning of, and response to, assurance work. We recognise the progress made for which continued management attention and assurance are required.

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 and approved the Internal Audit Plan for 2022/23, 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 regular updates on financial resilience and, in recent years has welcomed the independent assurance of the Council Treasury Management activities, by the Council's Treasury Management advisors, further to the regular assurance provided by Internal Audit.

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 sought regular reports from senior management in the Education and Lifelong Learning directorate for a number of years, 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 view of an ongoing need for regular school governance assurance, we arranged early engagement with the new Director of Education and Lifelong Learning after their appointment, 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. The Director has attended our Committee a further time, and we received an account of the governance arrangement in place to manage various aspects of the directorate control environment, together with an acknowledgement that further improvements are being sought.

Our Committee has noted the positive improvements made, as recognised in a recent Estyn report, and we will continue to keep a keen interest in the governance arrangements and assurance we receive in respect of schools and the wider education portfolio. 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 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 2022/23

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 will cover all areas of our terms of reference and we will monitor the management of the existing matters highlighted in section 6 of this report (the 'Opinion of the Committee for 2021/22') as well any new issues, which require our attention.

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

8. Committee Membership 2021/22

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.

- On 25 November 2021, Council re-appointed Gavin McArthur and David Price as Independent Members of the Committee, for a second 5-year term.
- Dr Janet Wademan, the new Independent Lay Member of the Committee, was appointed on 30 September 2021, and attended Committee on the 19 October 2021 as an observer. Following induction training, she became a full member of the Committee.
- Hugh Thomas, Chair of the Governance and Audit Committee, is already serving a second term.

There were no changes to Elected Members serving on the Committee during the year, but following the financial year end, one Elected Member stood down as a Councillor. In May 2022, Local Elections were held, and following this, four members stood down from the Committee and five new Members were

appointed. A further change was made before the first Committee meeting of 2022/23, whereby in Council on 30 June 2022 an ongoing Elected Committee Member was replaced by a further new Elected Member. The position in respect of Committee Membership is shown in Annex 4.

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.

9. Attendance in 2021/22

The Governance and Audit Committee met on 7 occasions throughout the municipal period 2021/22 on the following dates: 20th July 2021, 28th September 2021, 19th October 2021 (Special Meeting), 23rd November 2021, 7th December '2021 (Special Meeting), 25th January 2022, and 15th March 2022.

Committee Meeting Attendance

Attendance 2021/22	Possible	Actual
Independent Lay Members		
Hugh Thomas (Chairperson)	7	6
Gavin McArthur (Deputy Chairperson)	7	6
David Price	7	6
Janet Wademan (appointed 30.09.21)	5	4
Elected Members		
Councillor Jayne Cowan	7	7
Councillor Stephen Cunnah	7	5
Councillor Russell Goodway	7	4
Councillor Nigel Howells	7	5
Councillor Keith Jones	7	5
Councillor Elaine Simmons	7	0
Councillor Kanaya Singh	7	0
Councillor Joel Williams	7	7

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

10. Contacts

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

Governance and Audit Committee Terms of Reference 2021/22

Statement of Purpose

- Our Governance and 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 Governance and 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, the internal control environment, and the performance assessment of the Council. It provides an independent review of Cardiff Council's governance, performance assessment, 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, Performance, 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 Council's draft annual Self-Assessment Report, and make any appropriate recommendations for changes.
- To review the Council's draft response to the Panel Performance Assessment Report, and make any appropriate recommendations for changes.
- To review the Council's draft response to any Auditor General's recommendations arising from a 'special inspection' in respect of the Council's performance requirements, and to make any appropriate recommendations for changes.
- To review and assess the authority's ability to handle complaints effectively, and make any associated reports and recommendations.
- 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 Governance and 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 on the arrangements for the management of the authority's financial affairs.
- 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 Governance and Audit Committee e.g., Treasury Management.

Self-Assessment Action Plan

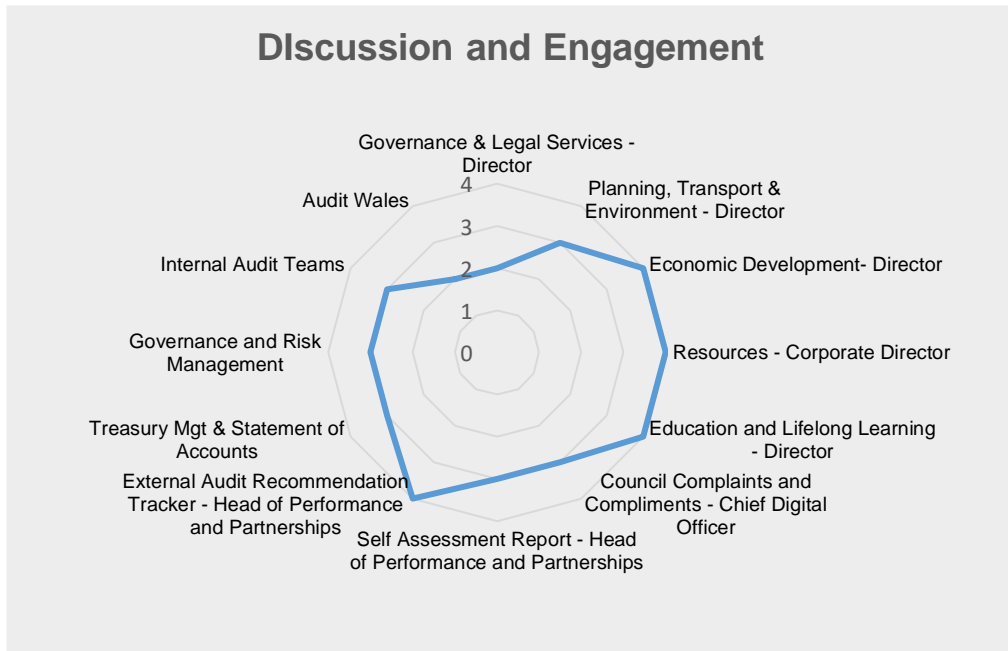
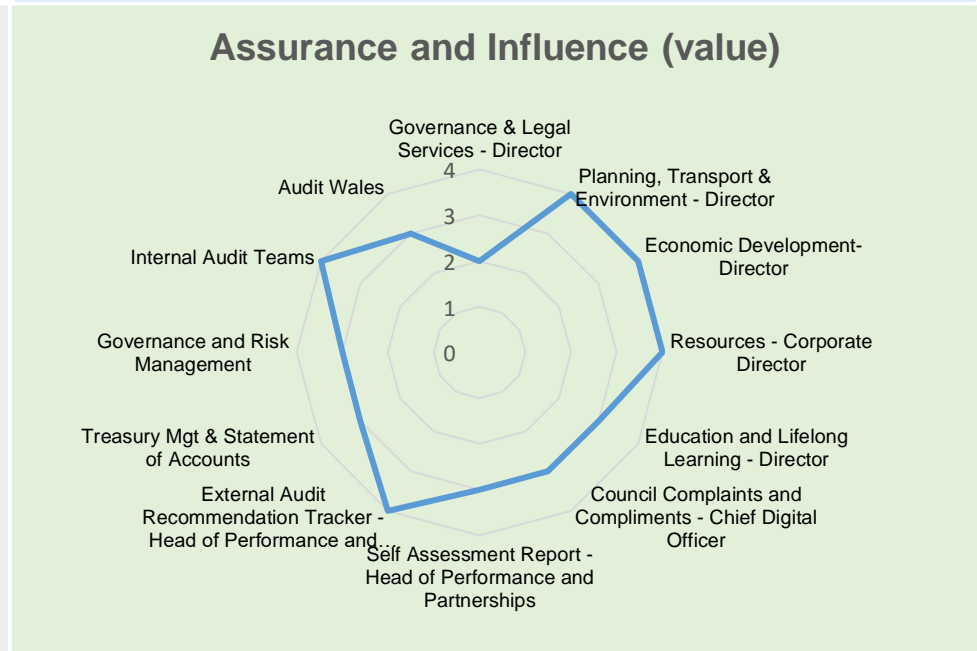
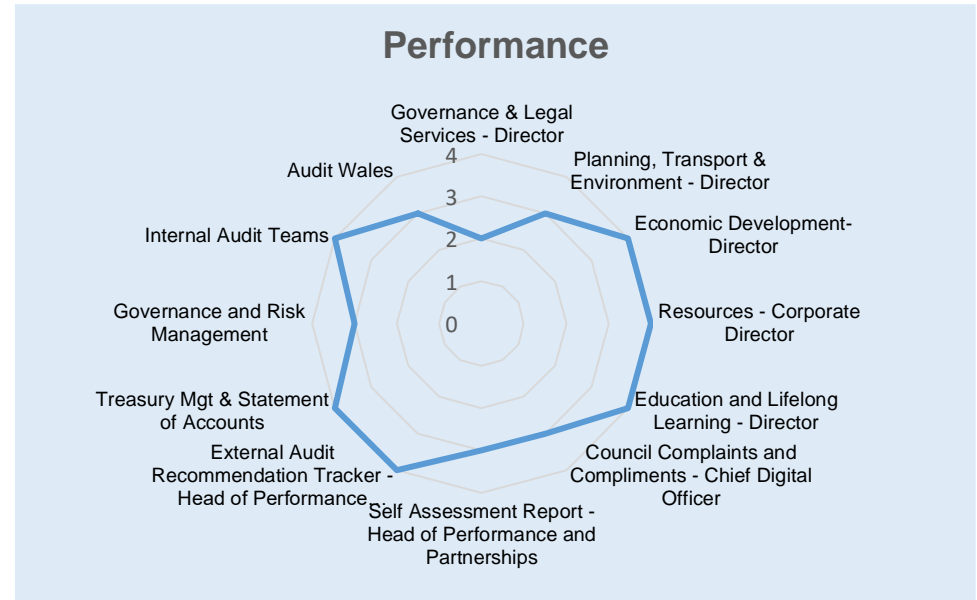
January 2022

	Action	Status / Target
1.	All Committee Members to ensure they have completed an Individual Assessment (against the CIPFA knowledge and skills framework).	Ongoing Activity (For 2021/22 assessment 5 out of 12 received as at 25 th January 2022)
2.	There is a need to maintain the focus being given to value for money and partnership assurances when engaging with senior officers.	Ongoing Activity




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 2021/22 were as follows





Key	Score
1	Poor
2	Satisfactory
3	Good
4	Excellent





Current Membership



 <p>Hugh Thomas (Chairperson) (Independent Lay Member)</p>	<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>Gavin McArthur (Deputy Chair) (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.</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>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>A keen sportsman, who played semi-professional football, Gavin has coaching qualifications in rugby, goalkeeping and strength & 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 (Independent Lay Member)</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>Dr. Janet Wademan (Independent Lay Member)</p>	<p>Janet Wademan was awarded the degrees of BA and PhD in Pure Mathematics from Cardiff University. After graduation she enjoyed a corporate R&D career in the systems engineering, programme management, international marketing and bid directorship of safety critical applications in defence and civil domains. In 1995, Janet founded her advisory practice specialising in technology and innovation representing Wales and Welsh companies via the WDA’s Global Link programme. She has advised consortia of international corporates resulting in winning substantial bids and the creation of 100s of STEM jobs.</p> <p>Janet's underpinning professional interests are: sustainable regional development, building organizational resilience and the realization of societal impact from R&D. She was a Member of the Ministerial Advisory Group for the then Department of the Economy and Transport (2006-09). She also served as a Member of the First Minister's Economic Research Advisory Panel (2002-12). Having developed a breadth of experience as a non-executive since 1998, Janet currently serves as: Member of Council, Cardiff University; Vice-Chair, Joint Audit Committee, Office of the Police & Crime Commissioner Gwent Police; Trustee and Chair of the Audit, Risk and Assurance Committee, National Library of Wales; Member, Wales Productivity Forum. She is a Fellow of the Chartered Management Institute and of the RSA.</p>
 <p>Cllr Saleh Ahmed (Welsh Labour)</p>	<p>Serving the Fairwater Ward</p> <p>Terms of Office: 09/05/2022 - 09/05/2027</p> <p>Serving on the following Committees: Community & Adult Services Scrutiny Committee Council Governance and Audit Committee</p>
 <p>Cllr Kate Carr (Welsh Labour)</p>	<p>Serving the Whitchurch and Tongwynlais Ward</p> <p>Terms of Office: 09/05/2022 - 09/05/2027</p> <p>Serving on the following Committees: Council Governance and Audit Committee</p>

 <p>Cllr Russell Goodway (Welsh Labour)</p>	<p>Serving the Ely Ward</p> <p>Terms of Office: 04/05/1995 - 08/05/2022 09/05/2022 - 09/05/2027</p> <p>Serving on the following Committees: Cabinet Member for Investment & Development Constitution Committee (Chair) Council Democratic Services Committee Governance and Audit Committee</p> <p>Outside Bodies:</p> <ul style="list-style-type: none"> • Cardiff Airport Consultative Committee • Cardiff Business Technology Centre (CBTC) • Consortium of Local Authorities in Wales (CLAW) • WLGA
 <p>Cllr Margaret Lewis (Welsh Labour)</p>	<p>Serving the Butetown Ward</p> <p>Terms of Office: 09/05/2022 - 09/05/2027</p> <p>Serving on the following Committees: Children and Young People Scrutiny Committee Council Glamorgan Archives Joint Committee Governance and Audit Committee</p>
 <p>Cllr Jess Moultrie (Welsh Labour)</p>	<p>Serving the Pentwyn Ward</p> <p>Terms of Office: 09/05/2022 - 09/05/2027</p> <p>Serving on the following Committees: Constitution Committee Council Governance and Audit Committee</p>
 <p>Cllr Marc Palmer (Welsh Labour)</p>	<p>Serving the Whitchurch and Tongwynlais Ward</p> <p>Terms of Office: 09/05/2022 - 09/05/2027</p> <p>Serving on the following Committees: Council Democratic Services Committee Governance and Audit Committee Licensing Committee Public Protection Committee Public Protection Sub Committee</p>

 <p>Cllr Daniel Waldron (Welsh Liberal Democrats)</p>	<p>Serving the Cyncoed Ward</p> <p>Terms of Office: 09/05/2022 - 09/05/2027</p> <p>Serving on the following Committees: Council Governance and Audit Committee Policy Review and Performance Scrutiny Committee</p>
 <p>Cllr Joel Williams (Welsh Conservatives)</p>	<p>Serving the Pontprennau & Old St Mellons Ward</p> <p>Terms of Office: 04/05/2017 - 08/05/2022 09/05/2022 - 09/05/2027</p> <p>Serving on the following Committees: Council Employment Conditions Committee Governance and Audit Committee Policy Review and Performance Scrutiny Committee (Chair)</p> <p>Outside Bodies:</p> <ul style="list-style-type: none"> • Cardiff University Court • South Wales Fire & Rescue Authority

Members who stood down from the Committee at the Year-End
(prior to the first meeting of 2022/23)

 <p>Cllr Nigel Howells (Welsh Liberal Democrats)</p>	<p>Serving the Adamsdown Ward</p> <p>Terms of Office: 06/05/1999 - 08/05/2022 Stood down as a Councillor at year-end</p> <p>Serving on the following Committees: Council COVID-19 Scrutiny Panel Economy & Culture Scrutiny Committee (Chair) Governance and Audit Committee Pensions Committee</p>
 <p>Cllr Jayne Cowan (Welsh Conservatives)</p>	<p>Serving the Rhiwbina Ward</p> <p>Terms of Office: 06/05/1999 - 08/05/2022 09/05/2022 - 09/05/2027</p> <p>Serving on the following Committees: Constitution Committee Council Democratic Services Committee (Chair) Glamorgan Archives Joint Committee Standards & Ethics Committee</p> <p>Outside Bodies: South Wales Police and Crime Panel</p>

 <p>Cllr Stephen Cunnah (Welsh Labour)</p>	<p>Serving the Canton Ward</p> <p>Terms of Office: 04/05/2017 - 08/05/2022 09/05/2022 - 09/05/2027</p> <p>Serving on the following Committees: Constitution Committee Council Economy & Culture Scrutiny Committee Standards & Ethics Committee</p> <p>Outside Bodies: Chapter (Cardiff) Limited</p>
 <p>Cllr Keith Jones (Welsh Labour)</p>	<p>Serving the Llanrumney Ward</p> <p>Terms of Office: 03/05/2012 - 08/05/2022 09/05/2022 - 09/05/2027</p> <p>Serving on the following Committees: Council Glamorgan Archives Joint Committee</p> <p>Outside Bodies:</p> <ul style="list-style-type: none"> • Cymric Building Preservation Trust • Flat Holm Consultative Group
 <p>Cllr Elaine Simmons (Welsh Labour)</p>	<p>Serving the Caerau Ward</p> <p>Terms of Office: 03/05/2012 - 08/05/2022 09/05/2022 - 09/05/2027</p> <p>Serving on the following Committees: Children and Young People Scrutiny Committee Council Council Appeals Committee Democratic Services Committee</p>
 <p>Cllr Kanaya Singh (Welsh Labour)</p>	<p>Serving the Riverside Ward</p> <p>Terms of Office: 04/05/2017 - 08/05/2022 09/05/2022 - 09/05/2027</p> <p>Serving on the following Committees: Children and Young People Scrutiny Committee Council</p> <p>Outside Bodies: Cardiff Bus</p>