
AUDIT AND GOVERNANCE COMMITTEE 13/6/19

Present: Councillor John Brynmor Hughes (Chair)
Councillor Angela Russell (Vice-chair)

Councillors: Alwyn Gruffydd, R. Medwyn Hughes, Peredur Jenkins, Aled Wyn Jones, Berwyn Parry Jones, Dewi Wyn Roberts, John Pughe Roberts, Paul Rowlinson and Gethin Glyn Williams.

Lay Member: Sharon Warnes

Others invited: Councillor Ioan Thomas (Cabinet Member for Finance - for items 7-13 on the agenda).

Also in Attendance: Dafydd Edwards (Head of Finance Department), Dewi Morgan (Assistant Head - Revenue and Risk), Ffion Madog Evans (Senior Finance Manager - for items 7-14 on the agenda), Caren Rees Jones (Group Accountant - for items 11-14 on the agenda), Luned Fôn Jones (Audit Manager), Bethan Adams (Member Support Officer) and Alan Hughes (Performance Audit Leader, Wales Audit Office).

Apologies: Councillors Aled Ll. Evans and Charles Wyn Jones.

1. CHAIR

RESOLVED to elect Councillor John Brynmor Hughes as Chair of the Committee for 2019/20.

2. VICE-CHAIR

RESOLVED to elect Councillor Angela Russell as Vice-chair of the Committee for 2019/20.

3. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received from any members present.

4. MINUTES

The Chair signed the minutes of the previous meeting of this committee, held on 14 February 2019, a true record.

5. 2019 EXTERNAL AUDIT PLAN

(a) GWYNEDD COUNCIL

The report was presented by the Performance Audit Leader (Wales Audit Office).

Members were guided through the report, which detailed the Wales Audit Office (WAO) and Deloitte's audit arrangements for 2019. It was noted that Deloitte would carry out the financial audit on behalf of the Auditor General for Wales. Attention was drawn to the main financial audit risks and attention was drawn to the performance audits to be carried out on a national level, and those that were specific to Gwynedd. It was noted that the events of the Wales Audit Office's Good Practice Exchange was an opportunity to share information

and share good practice on a specific subject and that the Council's members and officers were welcome to attend.

It was noted that a Trainee Accountant employed by the Wales Audit Office would be seconded to Gwynedd Council for the period between January 2020 and May 2020, which would give the officer valuable experience of accountancy work. In response, the Head of Finance Department noted that he appreciated the collaboration and that discussions would be held in terms of having a similar opportunity for the Council's Finance Trainee to be seconded to the Wales Audit Office for a period of time.

Members were given an opportunity to ask questions and make observations. A response was given to the questions and observations as follows:-

- That the fee for the audit of GwE accounts covered the work in its entirety. Gwynedd Council was the host authority, with a procedure in place to receive contributions from the councils for all the Joint Committee's costs.
- That the timetable for the Leisure Services performance audit project, that was included in the 2018 plan, had slipped. Interviews would be held and a report would be given on the work to Byw'n Iach, the company now responsible for the Council's leisure centres.
- That the wording of the paragraphs in relation to the UK's departure from the European Union, on page 19 of the plan, would be looked at.

(b) GWYNEDD PENSION FUND

The report was presented by the Performance Audit Leader (Wales Audit Office). He provided details on the content of the report which noted the external auditor's audit plan with regards to the Gwynedd Pension Fund, and he highlighted the main financial audit risks. It was noted that Deloitte would carry out the audit on behalf of the Auditor General for Wales. He confirmed that the wording of the paragraphs in relation to the UK's departure from the European Union would be looked at.

The Head of the Finance Department welcomed the plan. Gratitude was expressed for the reports.

RESOLVED to accept the reports.

6. INTERNAL AUDIT OUTPUT 4/2/19 - 31/3/19

Submitted - the report of the Audit Manager outlining the Internal Audit section's work for the period. It was noted that 19 reports on audits from the action plan had been completed. Attention was drawn in terms of follow-on audits, that acceptable action had been taken on 94.48% of the agreed steps, namely 154 out of 163. It was highlighted that no response had been received to requests to receive information and evidence from the relevant Units/Services on the progress of actions for the following audits:

- Small holdings (3 actions)
- Arrangements for Children who are Leaving Care (1 action)
- Recycling Targets (5 actions)

It was noted that after receiving information, the reports of the audits below had been released in final form:

- Care and Support (Children) Plans under Part 4 SSA (Wales) 2014 (Children and Families)
- Flood Management (Gwynedd Consultancy)

A member referred to the lack of response from Units/Services to requests for information and evidence. The member noted that the attention of the relevant Cabinet Members should be drawn to this or that the relevant officers should be summoned to the Committee. In

response, the Audit Manager stated that if the Committee wished, the relevant officers could be summoned before the Controls Improvement Working Group. It was proposed to call the relevant officers to the audits before the Controls Improvement Working Group. A member noted that the relevant Cabinet Members should be called before the Working Group as well. The Audit Manager confirmed that a date had been determined for a meeting of the Controls Improvement Working Group where a discussion would be held on audits referred to the Working Group at the Committee's previous meeting. The proposal was seconded, a vote was taken on the proposal and it was carried.

Consideration was given to the reports individually and during the discussion, reference was made to the following main matters -

Whistleblowing Policy - Gwynedd Schools

A number of members noted their disappointment that 34% of the schools had not replied to confirm that the schools had a current policy in place and that it had been adopted formally by the Governing Body, and that every member of staff had easy access to the policy, considering the importance of the policy.

In response, the Audit Manager noted that the percentage of the schools that had responded was quite good. She noted that the fact that some schools had not replied did not mean that the policy had not been adopted. She explained that the Education Department had committed to re-send the Whistleblowing Policy template to the schools that did not use the current version and to those that had not responded. She noted that since the audit had been completed, that confirmation had been received from additional schools noting that the Governing Body had adopted the policy.

A member noted that the policy was very important in the context of schools and although schools had adopted the policy, staff's understanding of the policy was another matter. In response, the Audit Manager explained that the purpose of the investigation was to ensure that the current policy had been adopted by school Governing Bodies, staff awareness of the policy was not included within the scope of the audit, although it was a matter to consider in the context of risk.

A member emphasised that it was important to receive confirmation from all schools that the current policy was adopted when follow-up work was done by the Internal Audit Service.

Employment Status - GwE

A member drew attention to the fact that GwE, following the audit, had identified eight individuals from a sample of 12 where the status of their employment needed to be changed. The member added that there appeared to be a problem, considering the size of the sample. The member enquired whether the Controls Improvement Working Group should consider the audit.

In response, the Head of Finance Department explained that there was a questionnaire on HMRC's website to help employers to identify the employment status of individuals as employed or self-employed, in accordance with the 'IR35: Countering avoidance in the Provision of Personal Services' taxation rules. He elaborated that the questions could be interpreted to give different answers and that discussions had been held with GwE. He explained that the matter had been addressed by the GwE Joint-Committee with GwE officers acting with support from Council officers. He noted that the matter had been considered at the appropriate forum.

A member noted that he was happy that the matter had been addressed at the appropriate forum but the Committee needed to receive information after the follow-up work of the

Internal Audit Service. In response, the Audit Manager noted that if there would be a lack of action, a report would be submitted to the Committee and the matter would be referred to the GwE Joint-Committee.

A member highlighted that an individual's employment status depended on the work done and that the rules could be arbitrary and difficult to interpret. A member added that if an individual worked for an organisation on a permanent basis, they should be on the payroll.

Purchasing Equipment Through the School

A member referred to a case where a school had purchased three iPhones on behalf of staff members by means of a loan arrangement, noting that it was a case of taking advantage of the VAT savings scheme. In response, the Audit Manager explained that the audit was a responsive audit following a referral from the Education Department's Finance Unit in relation to a case in one school and that the audit attempted to establish how widespread the practice was, in discussions with a Value Added Tax expert. She elaborated that there were clear guidelines and that it was appropriate for the school to sell goods on to pupils so that they could save on the VAT element, provided that the goods were to be used regularly in the classroom and that these goods included portable musical instruments and devices such as iPads. She noted that sales to teachers and other staff did not comply with HMRC rules. She confirmed that this had only been identified in this specific case, and that it was not a common practice across Gwynedd schools.

Licensing Arrangements

The Audit Manager confirmed that the Gambling Policy Statement had been adopted by the Full Council at its meeting on 7 March 2019.

Maintenance – Property

A member noted that the Property Maintenance Unit had gone through the *Vanguard* process and that it was disappointing that duplicate payments had been processed. The member asked whether the payments were substantial.

In response, the Audit Manager noted that she was unable to confirm the exact amounts. She explained that a concern had been raised during the audit in terms of a lack of distribution of duties within processes and an explanation had been given, noting that as a result of Ffordd Gwynedd, they would not implement distribution of duties within their processes. She elaborated that the Unit was striving to restrict the procedure in terms of processing and paying invoices by only using the *Techforge* interface in the future, in order to avoid the risk of duplicate payments. She noted that some distribution of duties was now taking place, and individuals who only had administrator rights had permission to establish new contractors on the system for payment.

In response to an enquiry by a member about choosing a sample, the Audit Manager noted that the way in which a sample was chosen varied for audits. She elaborated that in relation to the audit in question noting that transactions and invoices were considered, information was extracted from the financial ledger and attention was given to trends and substantial payments.

Cyber Security

A member asked whether the training on Cyber Security was also relevant to members. In response, the Audit Manager noted that the Information Technology Service had published videos that highlighted the cyber risks to staff on the Council's intranet. The Head of Finance Department noted that he was of the opinion that the training on cyber security was relevant for members, and that he would look into the matter with a view to offering access to the videos.

Children - Out-of-County Placements

In response to a member's observation, the Audit Manager noted that Social Services visited children who were placed out-of-county with care plans, risk assessments and support in place.

She highlighted that the costs of children's placements remained high. The member asked about any action being taken to reduce the costs. In response, the Audit Manager noted that expenditure on out-of-county placements contributed to the overspend in the Children and Supporting Families Department. She elaborated that overspending in this field was not unique to Gwynedd. She explained that it had been highlighted, as part of the audit, that the field was eligible to be on the Department's risk register, and the Council's corporate risk register. She noted that confirmation had been received that the field was now included on the risk register.

Street Enforcement

A member noted that the Communities Scrutiny Committee had addressed the waste enforcement field and that consideration should be given to referring the audit to the attention of the Scrutiny Committee. In response, the Head of Finance Department noted that the audit could be referred to the Communities Scrutiny Committee; however, the work programme and matters to consider was a matter for the Scrutiny Committee.

RESOLVED:

- (i) to accept the report on the work of the Internal Audit for the period of 4 February 2019 to 31 March 2019 and to support the agreed actions that have already been submitted to the managers of the relevant services;**
- (ii) to call the officers and relevant Cabinet Members involved with the follow-up audit, listed below, before the Controls Improvement Working Group:**
 - **Smallholdings**
 - **Arrangements for Children who are Leaving Care**
 - **Recycling Targets**
- (iii) that the members appointed to serve on the Controls Improvement Working Group at the meeting of the Committee on 14 February, along with Councillor Berwyn Parry Jones and Sharon Warnes (substitute), serve on the Working Group;**
- (iv) to refer the Street Enforcement audit to the Communities Scrutiny Committee for consideration.**

7. HEAD OF INTERNAL AUDIT ANNUAL REPORT 2018/19

Submitted - the report of the Audit Manager. On the basis of the work of Internal Audit that was completed in 2018/19, the officer was satisfied that Gwynedd Council had a sound framework of internal control.

It was reported that 60 pieces of work had been included in the final amended audit plan for 2018/19. It was noted that 58 of the assignments had been completed by 31 March 2019, which represented 96.67% of the plan.

It was noted that there was an increase in the number of productive days available for Gwynedd Council audits, from 707 days between 1 April 2017 and 31 March 2018, to 913 days for the same period in 2018/19; an increase of 206 days. It was elaborated that this was as a result of appointing an Audit Leader and appointing temporary Auditors.

Attention was drawn to a new performance measure for 2018/19, namely '% of internal audits with an assurance level of "Satisfactory" or better (corporate indicator)'. It was noted that the performance for 2018/19 was 88.46%.

Reference was made to a new measure for 2019/20, namely, 'Proportion of agreed actions at high or very high level of risk that have been implemented in accordance with the timetable (corporate indicator)'. It was noted that the performance ambition was 100%, and should Units/Services fail to respond in a timely manner to requests for information or evidence, the matter would be brought before the Committee.

A member referred to the performance measure, '% of internal audits with an assurance level of "Satisfactory" or better', and asked whether the performance ambition of 65% for 2019/20 was sufficient considering the performance of 88.46% in 2018/19. The member added that the performance was dependent on the Council's Departments and that it did not measure the performance of the Internal Audit Service. In response, the Audit Manager noted that the measure was a corporate measure and that performance could vary year on year; therefore, there was no reason to increase the performance ambition considering that the level of audit assurance was generally high. The Head of Finance Department elaborated that it was an attainment measure for the Council, the wording of the measure could be considered; however, the measure showed the impact of the Internal Audit Service on the Council.

In response to a question by a member regarding the work of auditing Town and Community Councils, the Audit Manager noted that the Service had carried out audit work for approximately 75 Town and Community Councils in Gwynedd and Anglesey. She elaborated that substantial profits did not derive from the work and that lessons had been learnt when establishing arrangements in 2018/19 that would allow for the work to be completed earlier in 2019/20.

Appreciation of the Audit Manager's work was expressed.

RESOLVED to accept the report as the formal annual report of the Head of Internal Audit in accordance with the requirements of the Public Sector Internal Audit Standards for the 2018/19 financial year.

8. INTERNAL AUDIT CHARTER

The Head of Internal Audit presented the Internal Audit Charter to the Committee, noting that a few changes had been made to the content of the Charter to coincide with the requirements of the Local Government Application Note (2019) published by CIPFA.

Members were guided through the Charter, attention was drawn to the fact that changes had been made to job titles and that the Charter reflected the Internal Audit Service's operation method of providing an assurance level on audits.

A member asked whether it would be an idea to explain the role of the Internal Audit Service in terms of completing audit work when the Council was a host authority for a Joint Committee in partnership work. In response, the Head of Finance Department noted that he was not of the opinion that a reference to the role of the Service needed to be included as the role was not different in this context. He elaborated that the role of the Internal Audit Service was different in the context of the Town and Community Council audit work.

RESOLVED to approve the Internal Audit Charter.

9. FINAL ACCOUNTS 2018/19 – REVENUE OUTTURN

The Cabinet Member noted that the report had been submitted to the Cabinet on 21 May 2019. He thanked Councillor Peredur Jenkins, the former Cabinet Member, for his work and commitment to secure the Council's financial situation at a difficult time. He emphasised that the Cabinet Members were aware of their responsibilities to keep to the budget. He noted that the overspending on Children's Services and in the school transport field could not continue.

The report was submitted by the Senior Finance Manager, she set the context and elaborated on the content of the report. She noted that there had been effective financial control in general, in light of the requirements to realise savings.

Attention was drawn to the Cabinet's decision:

1.1 To note the final financial position of the Council's departments for 2018/19.

1.2 To approve the amounts to be carried forward (the "Revised Over/ (Under) Spend" column of the summary in Appendix 1), namely -

DEPARTMENT	£'000
Adults, Health and Well-being	15
Children and Families	100
Education	100
Economy and Community	28
Highways and Municipal	100
Environment	(100)
Gwynedd Consultancy	(59)
Corporate Management Team and Legal	(76)
Finance	(59)
Corporate Support	(61)

1.3 To approve the following recommendations and financial transfers (as outlined in Appendix 2) -

- The Children and Families Department to receive a one-off partial financial assistance of £1,544k to restrict the level of overspend that will be carried over by the department, to support them to move on to face the challenges of 2019/20.
- The Education Department to receive one-off partial financial assistance of £16k to limit the overspend that will be carried forward by the department to £100k.
- Compensate the Economy and Community Department £157k, the sum of the overspend due to the slippage of establishing 'Cwmni Byw'n Iach' to run the leisure centres, which limits the overspend that will be carried forward by the department to £28k.
- The Highways and Municipal Department to receive a one-off partial financial assistance of £518k, which limits the overspend that will be carried forward by the Department to £100k, to support them to face the challenges of 2019/20.
- In accordance with the financial regulations it is recommended that the usual practice is adhered to in order to allow the Environment Department to keep (£100k) of their underspend, and to move (£392k) which is the sum above (£100k), to be used to support the departments that have overspent in 2018/19.
- On Corporate budgets, transfer:
 - (£19k) related to the Council Tax Premium to a specific reserve to be considered for the Housing Strategy.
 - (£551k) relating to capital costs to a capital programme fund.
 - (£738k) on maintenance to a maintenance reserve.
- Use (£1,843k) of the net underspend on Corporate budgets to assist the departments that have overspent in 2018/19.
- The remainder of the Corporate underspend (£173k) to the Council's general balances.

1.4 To approve the virements from the specific reserves and provisions as outlined in Appendix 3 following a review of reserves and provisions, namely:

- Harvest (£3.931m) from reserves and (£69k) from provisions.

- Assign £3m to the transformation fund for the Council Plan.
- Transfer £1m to the Council's General Balances.
- Assign for a one-year period, £262k from the Supporting the Financial Strategy Reserve to bridge the funding source relating to liabilities of the Pension Fund."

She noted that the Finance Department had produced the 2018/19 statutory financial statements before 31 May and that the accounts were being audited by the External Auditors. She confirmed that the accounts would be submitted to the Committee on 29 July, following the audit. She elaborated that the whole process of closing the accounts, producing the statement and the external audit would be completed by the end of July, rather than at the end of September as in previous years.

Members were given an opportunity to ask questions and make observations. During the discussion, the following main points were highlighted:-

- That the overspend of the Children and Supporting Families Department was equivalent to approximately 15% of the Department's budget. The Department was being praised for its work and other departments could also do praiseworthy work if they also overspent. A similar spending situation was anticipated for the Council in 2019/20, although the overspend was being addressed. In relation to Storiell's financial situation, had the situation worsened since the Council had taken control of the café after the private provider ceased management?
- Was the budget realistic, considering that some fields overspent annually?
- That there was a need to be firm with the services that were overspending, although the overspending derived from sensitive matters, the situation was unfair on those who provided within budget. Overspending needed to be stopped, if possible.
- That circumstances outside the Council's control affected the financial performance of Departments with the situation being a reflection on the community. That it was a difficult situation that would get worse as Welsh Government and the UK Government did not give Local Government more money.
- That it was important to consider whether the budget was suitable, and assess the Council's position in comparison with other councils in relation to the overspend.
- That there was a need to look at the reasons for the overspend and consider whether the overspend was necessary and responded to statutory requirements.
- In the context of out-of-county placements, was the Children and Supporting Families Department considering providing a facility in Gwynedd?

A response was given to the questions and observations as follows:-

- That the shortcoming in the financial situation of Storiell derived after the private provider ceased management of the Café and the Council internalising its management. The shortcoming was as a result of additional staffing costs.
- That the financial situation of the Children and Supporting Families Department was not unique to Gwynedd and that the situation was being addressed and the WLGA were placing pressure on the UK Government to fund social care appropriately. The UK Government had not commenced its comprehensive spending review due to the focus on Brexit, and as a result it is expected to be challenging to fund services by 2020/21. The Department's budget had been set for 2019/20 by considering trends, with a substantial increase in child placements, and an increase in severe needs. Attention was given to the financial situation of the Children and Supporting Families Department at the Cabinet meeting on 21 May. It was anticipated that the Department would overspend in 2019/20, and a reserve budget had been provided within the Council's budget for any situations that could arise.
- It was anticipated that the departments that underspent would continue to underspend in 2019/20 with other departments overspending in response to emergencies. It was difficult to have a balanced budget due to the spending requirements.

- That the North Wales Councils' Directors of Social Services had a project in the pipeline in terms of placements; however, not much progress had been made.
- That the budget reflected the demand for services at a point in time, with the reserve budget being available to use during the 2019/20 financial year.

RESOLVED to accept the report and note the situation and relevant risks in the context of the budgets of the Council and its departments.

10. CAPITAL PROGRAMME 2018/19 - END OF YEAR REVIEW (31 MARCH 2019 POSITION)

The report of the Senior Finance Manager was submitted, she set-out the context and elaborated on the content of the report submitted to the Cabinet on 21 May 2019 which provided details on the capital programme's end of year review. It was noted that the Council had succeeded in spending over £22.8m in 2018/19 on capital programmes, with £12.5m of this, namely 55%, funded by attracting specific grants. It was confirmed that a total of £12.7m would slip from 2018/19, compared to a slippage of £15.6m at the end of 2017/18. No loss of grant funding was caused to the Council where schemes had slipped. Attention was drawn to the Cabinet's decision.

The Cabinet Member for Finance noted that attracting grants was an important element of funding and he expressed concern that Departments were losing capacity in relation to preparing grant applications within a small window of time, considering that grants had funded 55% of the capital programme for 2018/19.

A member noted that preparing a grant application was a skill and that it was important that staffing resources were in place to prepare and submit grant applications. A member reiterated the comment, noting that the Council was at risk of not attracting as many grants. In response to the observations, the Head of Finance Department noted that collaboration took place across departments to attract grants and despite the reduction in staffing resources making it more difficult, the Council had not reached the point where it missed out on attracting grants.

A member highlighted that the Council was successful in attracting grants. The member added that Welsh Government offered grants for specific headings but this was not an acceptable funding method and consideration should be given to how Local Government was funded. A member reiterated the comment, congratulating the officers who had submitted successful applications.

RESOLVED to accept the report and note the situation and relevant risks in the context of the Council's capital programme.

11. SAVINGS OVERVIEW: PROGRESS REPORT ON REALISING SAVINGS SCHEMES

The report of the Senior Finance Manager was submitted, she set-out the context and elaborated on the content of the report submitted to the Cabinet on 21 May 2019 which reported on the latest situation of realising savings schemes. She noted that over 96% of the 2015/16 - 2017/18 savings had been realised by March 2019.

Attention was drawn to the fact that £2.5m of savings had been planned in the 2018/19 Financial Strategy. She highlighted that 73% of the 30 schemes had been realised on time; however, slippage had been seen in realising seven schemes. She noted that in general, the progress made to realise the 2018/19 savings schemes was acceptable, but that there were signs that some delivery difficulties were being highlighted.

She noted that savings schemes to the value of £6.4 million were in place for 2019/20 onwards. She elaborated that the individual schemes would be monitored during the year,

but that it was premature to report. She drew attention to the Cabinet's decision notice which noted encouraging praise towards realising the savings schemes during the year.

The Cabinet Member for Finance noted that acceptable progress had been made to realise the savings schemes but he noted his concern that unless all savings schemes were realised, cuts would have to be made.

A member referred to the lack of overview of needs across public services with bodies operating in silos.

RESOLVED to accept the report and note the situation and relevant risks in the context of the savings overview.

12. GWYNEDD HARBOURS' FINAL ACCOUNTS 2018/19

The Senior Finance Manager submitted the report in the context of the final accounts of Gwynedd Harbours for the year 2018/19 in line with the statutory requirements under the Harbours Act 1964. It was noted that the accounts included Aberdyfi, Barmouth, Porthmadog and Pwllheli harbours.

It was noted that Gwynedd Harbours, due to its turnover not exceeding £2.5m, was considered to be a small local government body. It was explained that completion of a statements of accounts form provided by the Wales Audit Office satisfied the statutory requirements.

Attention was drawn to the £2,875 underspend at the end of the year, the income heading was £38k short, however, jobs had been kept vacant in an attempt to close the income gap. It was elaborated that substantial expenditure had been incurred on 'Signage and Notices' following a fatal incident on Barmouth Beach.

It was reported that the accounts would be the subject of an audit by Deloitte, and should changes be made post-audit, the amended version would be submitted to the Committee meeting on 29 July 2019.

In response to an observation by a member, the Senior Finance Manager noted that the overspend under the heading 'Safety Equipment' derived from essential expenditure following the incident on Barmouth beach. The Head of Finance Department added that the statement of accounts had been submitted to the Committee, in its governance role, for approval.

RESOLVED:

- (i) to accept and approve the information in the appendices, namely -**
 - **Income and Revenue Expenditure Account 2018/19 - Appendix A; and**
 - **Statements of Accounts form for 2018/19, for audit - Appendix B.**
- (ii) to authorise the Chair to sign the statements of accounts form 2018/19.**

13. GWYNEDD COUNCIL'S ANNUAL GOVERNANCE STATEMENT 2018/19

The Assistant Head - Revenue and Risk set-out the background and context to the report.

It was noted that the Governance Arrangements Assessment Group had considered the Core Principles and Sub-principles in the CIPFA / SOLACE Framework, *Delivering Good Governance in Local Government 2016*, and had created a Governance Risk Register. Attention was drawn to the fact that the Governance Risk Register identified risks in 22 different governance fields, and noted the controls in place in order to mitigate the risks.

Attention was drawn to the fact that one governance field had been designated as high risk, namely *Culture*. It was elaborated that an improvement had been seen in this field, but that

there was further work to do. It was highlighted that the score of four of the risks had changed during the 2018/19 year, with the risk scores reduced in all cases.

A member referred to the *Leadership* governance field, enquiring whether it was premature to reduce the risk score considering that the managerial review had been approved recently and that time was needed to see the impact of new job descriptions for managers and heads.

In response, the Assistant Head - Revenue and Risk noted that the report submitted to the Cabinet on 7 May 2019 in terms of the managerial review was the end product of much work; for example, new job descriptions were provided, clarifying the role for managers and heads. He also elaborated that this was associated with the work of changing culture in accordance with Ffordd Gwynedd to be "leading" (rather than "managing"), and ensuring that members and officers understood their role.

In response to an enquiry made by the Lay Member, the Assistant Head - Revenue and Risk noted that he would send Ffordd Gwynedd training material to the member.

RESOLVED:

- (i) to approve the **Annual Governance Statement for 2018/19**;
- (ii) to recommend that the **Council Leader and the Chief Executive sign the statement**.

14. PERFORMANCE MONITORING

Members were invited to express an interest in attending the Corporate Support Department's performance monitoring meetings.

RESOLVED to nominate Councillor Dewi Wyn Roberts to attend the Corporate Support Department's performance monitoring meetings.

15. AUDIT AND GOVERNANCE COMMITTEE'S FORWARD PLAN 2019-2020

Submitted - the report of the Assistant Head - Revenue and Risk, outlining the work programme for the Committee for the period up to June 2020.

RESOLVED to note the information.

The meeting commenced at 10:00am and concluded at 1:05pm.

CHAIR