

ANNUAL REPORT
GOVERNANCE AND AUDIT COMMITTEE
CYNGOR GWYNEDD
2024-25

FOREWORD BY THE CHAIR

The purpose of this report is to present a summary of the work of the Governance and Audit Committee during 2024-25 and to present potential evidence about the impact of the committee's work.

I am pleased to present the Committee's annual report. This report meets statutory requirements, but I very much hope that the report does more than just "tick a box" and gives the reader a real sense of what the Committee does, and shows how such a Committee makes a real difference.

Cyngor Gwynedd, like all other local authorities and public bodies, faces a range of risks and challenges. 2024/25 saw a number of governance challenges, including a change of Leader. Nevertheless, I believe that the governance arrangements in place, which are under ongoing review by the Governance and Audit Committee, have shown that it is resilient under very difficult circumstances and I am grateful to officers and members for working together to ensure that the Council can continue to do its best on behalf of the people of Gwynedd. I am sure that the Committee's comments have been helpful and supportive during this period.

Of course, financial challenges remain and I am pleased that the Committee has taken a leading role in scrutinising Cyngor Gwynedd's budgetary position, challenging as necessary, to ensure on behalf of the taxpayer that the Council makes the best use of the money it receives. You can see from this report how much work the Committee has handled during the year.

I would like to thank all the officers, Elected Members and Lay Members for their support and contribution over the past year. This collaboration has been invaluable. 2024/25 was a year in which there were some vacant seats on the Committee, both from an Elected Member and Lay Member perspective, but I am pleased to see progress being made to fill these gaps for 2025/26.

This annual report covers the period from May 2024 to May 2025, and in concluding my foreword I would like to refer to fellow members of the Committee whom we have recently lost. On 4 May 2025, Sharon Warnes, my predecessor as Chair of this Committee, passed away suddenly and unexpectedly. Sharon had been a member of the Committee since 2017 and was a very valuable member. Sharon was present at every meeting of the Committee during 2024/25 and the sudden loss of Sharon was devastating for everyone.

Then, at the end of May we heard that we had lost another member of the Committee, Councillor Rob Triggs, after a period of illness. Rob had been a member of the Committee since 2022, and he made a major contribution to the work of the Committee. He will be sorely missed.

Mrs Carys Edwards

Chair of the Governance and Audit Committee

INTRODUCTION

1. The Governance and Audit Committee has a continuous role in the process of providing good governance. The core purpose of the committee is to provide independent assurance on the adequacy of the risk management framework and associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects its exposure to risk and weakens the control environment, and to oversee the financial reporting process.
2. In carrying out its work, the Committee has regard to the guidelines of various external bodies and organisations including CIPFA.
3. According to the CIPFA Position Statement to Audit Committees in Local Authorities and the Police (2022), the purpose of the Governance and Audit Committee is:

To provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective

PERIOD OF THE REPORT

4. This report covers the Committee's work for the period between the Council's annual meeting on 9 May 2024 and the annual meeting on 1 May 2025. Six meetings of the Committee were held during the period in question:

[23 May 2024](#)

[5 September 2024](#)

[10 October 2024](#)

[28 November 2024](#)

[16 January 2025](#)

[6 February 2025](#)

THE COMMITTEE'S MEMBERSHIP

5. The Governance and Audit Committee consists of 12 Councillors based on political balance, along with six 'lay members', namely a person who is not a local authority member. However, there were a number of vacant seats on the Committee during the year.
6. Members' attendance at the meetings was as follows:

Chair (Lay Member)

	23/05/2024	09/05/2024	10/10/2024	28/11/2024	16/01/2025	06/02/2025
Carys Edwards	✓	✓	✓	x	✓	✓

Vice-chair (Lay Member)

	23/05/2024	09/05/2024	10/10/2024	28/11/2024	16/01/2025	06/02/2025
Rhys Parry	✓	✓	✓	✓	✓	✓

Councillors

	23/05/2024	09/05/2024	10/10/2024	28/11/2024	16/01/2025	06/02/2025
Cllr Elfed Wyn ap Elwyn	✓	✓	✓	x	✓	✓
Cllr Menna Baines	x	x	✓	x	✓	✓
Cllr Meryl Roberts	✓	✓	✓	✓	✓	x
Cllr Huw Rowlands	✓	✓	✓	✓	✓	✓
Cllr Elwyn Jones	✓	✓	✓	✓	✓	✓
Cllr Edgar Owen	✓	✓	✓	✓	✓	✓
Cllr Arwyn Herald Roberts	x	x	x	✓	✓	✓
Cllr Richard Glyn Roberts	✓	✓	✓	✓	✓	x
Cllr Angela Russell	✓	✓	✓	x	✓	x
Cllr Rob Triggs	x	x	✓	✓	✓	✓
Cllr Dafydd Meurig ¹					x	✓
Cllr Ioan Thomas	✓	✓	✓	✓	✓	✓

Lay Members

	23/05/2024	09/05/2024	10/10/2024	28/11/2024	16/01/2025	06/02/2025
Clare Hitchcock ²	✓	✓	✓	✓		
Hywel Eifion Jones	✓	✓	✓	✓	✓	✓
Sharon Warnes	✓	✓	✓	✓	✓	✓

¹Joined the Committee in January 2025

²Resigned December 2024

FUNCTIONS OF THE COMMITTEE

7. In accordance with the Local Government (Wales) Measure 2011 Part 6, Chapter 2, Cyngor Gwynedd must establish a governance and audit committee with certain mandatory functions, and it also has the right to carry out any other suitable functions.
8. The Constitution of Cyngor Gwynedd sets out the following as the functions of the Governance and Audit Committee:

A function that cannot be the responsibility of the Executive

The duty to approve an authority's statement of its accounts, income, and expenditure and balance sheet or its record of its proceeds and payments (as they happen) in accordance with the Accounts and Audit (Wales) Regulations 2014.

Mandatory functions under the Local Government (Wales) Measure 2011

The committee is responsible for fulfilling the following statutory functions under Section 81 of the Local Government (Wales) Measure 2011 (as amended):

- (a) review and scrutinise the authority's financial affairs,
- (b) draw up reports and make recommendations in relation to the financial affairs of the authority,
- (c) review and assess the authority's risk management, internal control and corporate governance arrangements,
- (ch) draw up reports and recommendations to the authority regarding the adequacy and effectiveness of those arrangements,
- (d) review and assess the authority's ability to deal effectively with complaints,
- (e) draw up reports and make recommendations in relation to the authority's ability to deal effectively with complaints.
- (f) inspect the internal and external audit arrangements of the authority,
- (g) review the financial statements prepared by the authority, and
- (ng) implement the functions of a Governance and Audit Committee in Chapter 1 of Part 6 of the Local Government and Elections (Wales) Act 2021 (performance and governance of principal councils).

Other Functions

The committee will also be responsible for carrying out the following functions:-

- (i) promote internal control, establishing a timetable to review control, develop an anti-fraud culture and review financial operations;
- (ii) focus the Council's audit resources by agreeing on audit plans and monitoring the provision of audit;
- (iii) monitor audit performance by ensuring that officers' work is undertaken within the schedule, ensure that audit reports are published on time and that they are responded to promptly, monitoring the completion of the accounts and ensuring action on audit recommendations;
- (iv) consider observations and concerns about individual services at a county level, on the basis of reports by Council officers or Audit Wales, and monitor response and implementation on the recommendations or findings of the reports.

THE COMMITTEE'S WORK DURING 2024/25

Review and approve the financial statements prepared by the authority

9. At its meeting on 23 May 2024, the Committee approved the final accounts of Gwynedd Harbours for the year ending 31 March 2024, which included the Income and Revenue Expenditure Account 2023/24 in addition to the Annual Return for the Year ending 31 March 2024 (subject to audit by Audit Wales).
10. Cyngor Gwynedd's draft Statement of Accounts (subject to audit) for 2023/24 was submitted to the Committee at its meeting on 5 September 2024. There is no statutory requirement for elected members to approve the draft version of the Statement of Accounts. Nevertheless, it is considered that submitting the draft statement to the Governance and Audit Committee is good practice, and is an opportunity for members to ask the financial officers about the content and equip themselves with relevant information in order to consider the relevant risks and other matters that will be subject to audit, within their context. During the discussion, the Committee challenged the Finance officers on various aspects of the accounts, particularly the Council's arrangements to maintain its financial reserves.
11. The Final Accounts for the Year ended 31 March 2024 and the relevant audit were submitted to the Committee meeting held on 28 November 2024. After considering the Audit Wales report on the accounts (the "ISA 260" report), the Committee resolved:
 - To accept and approve the 'ISA260' Report by Audit Wales in respect of Cyngor Gwynedd;
 - To accept and approve the Statement of Accounts for 2022/23 (post-audit);
 - The Vice-chair of the Committee and the Head of Finance Department to certify the Letter of Representation electronically;
 - To congratulate the officers for their work of securing an unqualified statement;
 - To thank Audit Wales for good collaboration;

To review and scrutinise the authority's financial affairs, produce reports and make recommendations.

Medium Term Financial Plan

12. The Cabinet Member for Finance submitted a report on the Medium Term Financial Plan to the Committee on 23 May 2024, in response to the financial challenges facing the Council. The purpose of the plan is to set out projections for the Council's position over the next three financial years, and offer assumptions as well as proposals to address the financial deficit faced by the Council. It was highlighted that the plan had been approved by the Cabinet on 14 May 2024.
13. It was reported that the Cabinet had resolved to commission the Chief Executive to establish and lead on a range of measures and work packages, to prepare in advance for dealing with the significant gap in the budget over the next three years. The work will also consider the new methods of funding services, providing a clear picture of the Council's sustainability over the next three years and assisting to make decisions at a difficult time. It was reiterated that the Plan was a live plan that would be updated as information came to hand.
14. After challenging officers and the Cabinet Member about the content of the Plan, the Committee resolved to accept the report, note the relevant risks arising from the Medium Term Financial Plan and to support the Cabinet's decisions.

Revenue Expenditure

15. The Committee has received regular reports on the authority's financial situation during the year. The Revenue Out-turn report on the Final Accounts 2023/24 was submitted to the meeting on 23 May 2024 for the Committee to receive information, to consider any risks arising from the actual expenditure and income against the 2023/24 budget and scrutinise the Cabinet's decisions in the context of managing the budgets of the Council and its departments. The report detailed the Council's expenditure in 2023/24, the out-turn underspend or overspend position of individual departments, and the reasons for that. Members expressed their thanks for the report and noted that the period was very challenging for services. There was a wide-ranging discussion in which concern was expressed about the situation of overspending, cuts and underfunding. The Committee noted that receiving ongoing reports on the situation was beneficial, but that the Council had substantial overspend – and that we were fortunate of reserves. Nevertheless, the Committee was concerned that there was a risk of the overspend getting worse in the longer term, especially as the population ages.
16. In addition to considering the out-turn position at the end of the financial year, formal reviews of the revenue budget position are held during the year, at the end of August and November. Reports on the end-of-August 2024 review were submitted to the Committee on 10 October 2024, and reports on the end-of-November 2024 review to the meeting on 16 January 2025. On those occasions, the Committee resolved to accept the reports and note the situation and relevant risks in the context of the Council and departmental budgets, and the Committee agreed with the Cabinet's

recommendations for dealing with the situation of anticipated overspend by the end of the financial year.

17. Among the issues raised during these discussions was the need for the Cabinet to challenge what was the timetable of work commissioned by the Chief Executive to gain a better understanding of exceptional overspending by the Adults, Health and Well-being Department, as assurance was needed that this work was in place to set a budget for the Cabinet. The Statutory Director for Social Services and the Head of Adults, Health and Well-being Department attended the January 2025 meeting to provide a context and a more comprehensive explanation of the Department's budgetary headings, detailing the Department's challenging financial position.
18. It was also noted that the use of reserves was a cause for concern. If this money is to be used, it must be ensured that the money was used in the appropriate places, in response to the need.

Capital Programme

19. On 23 May 2024, the End of Year Review (position as of 31 March 2024) of the 2023-24 Capital Programme was submitted. The main purpose of the report was to present the amended capital programme at the end of the financial year, and to approve the relevant funding sources. The Committee resolved to accept the report and note the situation and risks in the context of the Council's capital programme.
20. Reports on the end-of-August 2024 review of the capital programme were submitted to the Committee on 10 October 2024, and the reports on the end-of-November 2024 review were submitted to the meeting on 16 January 2025 to receive the information, to consider the risks relating to the Capital Programme, and scrutinise the Cabinet's decisions.

Savings Programme

21. Also in relation to the revenue budget position, the Committee has received separate reports during the year on the Council's ability to realise its savings plans. Progress reports on the delivery of the savings plans were submitted to the Committee at its meetings on 10 October 2024 and 16 January 2025, for the Committee to consider the general risks deriving from the slippages, and to scrutinise the Cabinet's decisions in the context of the Savings Overview.
22. The Committee suggested an alternative way of presenting information, by drawing up a table in future that distinguishes between the historical situation and the latest situation so that risks to the current situation can be identified. The Committee acknowledged that the 'easiest' savings had been realised – the savings that needed to be realised in the near future were difficult and so there was a need to ensure that consideration was given to an appropriate time-frame for action and give departments an opportunity to plan better for the long term, but noting that this was very challenging work that was presented in an easily understood manner.

23. Due to the financial gap faced by the Council over the coming years, it must develop new detailed savings plans for the 2025/26 financial year onwards. The Council Leader submitted a report to the Committee meeting held on 6 February 2025, presenting a series of further savings for 2025/26. The Committee was requested to consider the propriety of the process of identifying the savings, and submit observations to the Cabinet to consider before reaching a decision at its meeting on 11 February. The Committee was clear that it was not its role to express an opinion on what the size of the savings should be, or the features of individual proposals being recommended as savings, but rather to ensure that the Cabinet was clear of the facts presented to them, so that the decision taken was based on robust information. The Committee resolved:
- That reasonable steps, under challenging circumstances, had been taken to draw up the Savings Plan;
 - That the savings proposed were reasonable and achievable;
 - That the risks and implications of the decision were clear;
 - That the report was adequate to enable the Cabinet to make a decision on the Savings Plan;
 - To submit observations from the discussion on the report to the Cabinet for their consideration when discussing the 2025/26 Savings Plan at its meeting on 11 February 2025;
 - Welcomed an invitation to the information sharing workshops.
24. In addition, the Cabinet was asked to consider reviewing the future public consultation to seek residents' views on the level of taxation, as well as encouraging more effort to rationalise services.

Treasury Management

25. In accordance with good governance arrangements and statutory requirements, the Committee has received regular reports on the Council's Treasury Management activities during the year. Following a quarterly update on 23 May 2024, a report was submitted to the 5 September 2024 meeting on the Council's actual treasury management outcomes for 2023/24, against the strategy approved by the Full Council on 2 March 2023. Subsequently, a quarterly Treasury Management update was submitted to the meeting on 10 October 2024, and a Treasury Management mid-year review 2024/25 was submitted to the meeting on 28 November 2024. The purpose of these reports was to update the Committee on the Council's actual Treasury Management activity during the current financial year.

Budget Setting

26. When nearing the end of the financial year, the committee considered a report on the 2025/26 Budget on 6 February 2025 in order to scrutinise the information prior to the Cabinet recommending the 2025/26 budget to the Full Council. In this context, the Committee's role was to scrutinise the information and ensure that the Cabinet and Council were clear of the facts presented to them so that the decision was based on robust information. To assist with this work, elected and lay members of the Committee had an opportunity to attend a Briefing Session on the Financial Situation provided by the Chief Executive and the Head of Finance on 28 January.
27. After considering the report and appendices, the Committee's decision was to accept the report, noting its content, accept the financial propriety of the proposals and the relevant risks and present observations from the discussion on the options to the Cabinet for consideration when discussing the 2025/26 Budget at its meeting on 11 February 2025.
28. There were no specific points that the Committee felt that should be highlighted to the attention of the Cabinet or Full Council. However, the following observations were made during the discussion:
 - That the tax level was high – difficult for Gwynedd taxpayers, considering that the circumstances in the coming years seemed to get worse. There was a need to avoid raising Council tax again.
 - Welcomed the fact that the budget was balanced, but the situation needed to be monitored, considering that house prices in Gwynedd were high, and salaries were low.
 - Expressed thanks for the thorough work of preparing the budget.
 - That using £8.8m from reserves seemed substantial – highlighted concerns that the overspending continued. The Departments needed to try to operate within their budgets.
 - There was a need to ensure that reserves were available for emergencies.
 - If more money was received from the Welsh Government, was there an intention to use it to strengthen the reserves, instead of using bids?
29. Also, at the meeting held on 6 February 2025 the Committee considered the Capital Strategy 2025/26 (including the Investment and Borrowing Strategies), in order to consider any risks arising from the strategy before submission for approval by the Full Council. The presentation received by Committee members on 4 February by Arlingclose, the Council's treasury management advisers, was extremely useful in relation to this task. The report was accepted, noting the relevant information and risks, and support was given to the Cabinet Member for Finance's intention to submit the Strategy to the Full Council for approval on 6 March 2025.

Promotion of internal management; Review and assess the authority's risk management, internal control, performance assessment and corporate governance arrangements, produce reports and make recommendations

Internal Audit Reports

30. The purpose of the Council's Internal Audit Service is to "Give confidence to the citizen and the Council on the Council's control environment and governance arrangements through independent and objective reporting to the Head of Finance and the Governance and Audit Committee".
31. Internal audit reports are therefore an important tool in enabling the Committee to fulfil its function to review and assess the authority's arrangements for risk management and internal control.
32. The majority of Internal Audit reports will be placed into one of four general assurance categories, as shown in the table below:

ASSURANCE LEVEL	HIGH	Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.
	ADEQUATE	There are controls in place to achieve objectives but there are aspects of the arrangements that could be tightened to further mitigate risks.
	LIMITED	There are controls in place, however, improved compliance with the controls and/or introducing new controls is necessary to reduce the risks the service is vulnerable to.
	NO ASSURANCE	The controls in place are considered inadequate and failing to achieve objectives.

33. The Head of Internal Audit's Annual Report 2023/24 was submitted to the Committee meeting on 23 May 2024. Based on Internal Audit work completed during 2023/2024, the Audit Manager believed that Cyngor Gwynedd's internal control framework during the financial year operated at a reasonable level of assurance on the overall adequacy and effectiveness of the Authority's governance, risk management and internal control framework.
34. The Committee has received regular reports on the work of internal audit during the year. A report for the period 1 December 2023 to 31 March 2024 was submitted to the Committee meeting on 23 May 2025. It was noted that 12 of the plan's audits had been completed. Of these, one had received a "high assurance" level, eight had received "adequate assurance" and three "limited assurance".
35. On 10 October 2024, a report was submitted to the Committee, providing an update on the internal audit work for the period from 1 April 2024 to 30 September 2024. It was highlighted that 11 audits had been completed, with four showing a "high

assurance" level, three showing an "adequate assurance" level and four "limited assurance".

36. A further report was submitted to the Committee on 6 February 2025 providing an update on the internal audit work for the period from 1 October 2024 to 27 January 2025. It was highlighted that nine of the 2024/25 Action Plan audits had been completed with five showing an "adequate assurance" level and four showing a "limited assurance" level.
37. The Committee addressed all of these in turn. Where the assurance level was limited, a request was made for follow-up information to allow the Committee to fulfil its duties.
38. In addition to the above, the outcome of a special audit on the field of Domiciliary Care was submitted to the Committee on 28 November 2024. Four questions had been set by the commissioners:
 - Does the department have adequate financial control over the private domiciliary care provision?
 - Is there adequate operational control of commissioning private domiciliary care?
 - Are the risk management arrangements for the private domiciliary care provision adequate?
 - Does the department have effective management data for managing and commissioning private domiciliary care?
39. It was emphasised that the audit did not cover a review of the care.
40. It was noted, although the commissioning model for domiciliary care was aspirational, there were operational challenges and an element of restructuring had now been put in place, with a Project Group established under the guidance of the Head of Department. In addition, it was highlighted that a work programme had been produced to address the weaknesses and the priorities, and Internal Audit would be invited to attend the Project Group.
41. The Committee resolved to accept the contents of the report and note the information stating that a further update was needed to ensure that the situation is improving, with input from the Chief Executive.

42. The Chief Executive, Head of Adults, Health and Well-being Department and Chair of the Care Scrutiny Committee attended the Committee's meeting on 6 February 2025 to submit a response plan to the Internal Audit report. During the ensuing discussion, the following observations were made by members:
- An adequate budget was needed for the work – the overspend was a concern.
 - That there were substantial shortcomings in the Department's administration – there was a need to ensure that the matter was being overseen. Were there assurances that the shortcomings had been resolved and/or assurances that the money being paid out was correct?
 - That data was being used appropriately – accepted that information shortcomings had existed, but assurances were needed that the new model secured correct information to better manage and monitor the situation.
 - That there was a need to ensure that success was being measured.
 - That an update was needed on the progress and success of the work programme.
43. It was decided to accept and note the progress of the findings of Internal Audit's work on the Council's Domiciliary Care arrangements, to welcome the thorough Work Programme that is in place to improve the provision but that the progress and success of the work programme needs to be further updated in 12 months' time.

External Auditors' Reports

44. On 23 May 2024, Audit Wales submitted two reports to the Committee. The first, *Sustainable development? – making the best use of brownfield land and empty buildings* is a national report. Also submitted was the response of managers, outlining what the Council intended to do to respond to the recommendations within the report, and the Committee was satisfied with the content of the response.
45. The second report submitted to this meeting by Audit Wales was a specific report to Cyngor Gwynedd, namely *Setting of Well-being Objectives*. The audit established how the Council applied the sustainable development principle throughout the process of setting its well-being objectives. It was highlighted that Cyngor Gwynedd had commenced the work of setting new well-being objectives during 2002, publishing seven new objectives in March 2023 as a part of the Council Plan for 2023 - 2028. The Council was asked to consider the findings and four recommendations of Audit Wales. The organisation's response to the recommendations was submitted and for the Committee to consider. Also presented for this report was the managers' response, outlining what the Council intended to do to respond to the recommendations within the report, and the Committee was satisfied with the content of the response.
46. On 5 September 2024, a report by HM Inspectorate of Probation *An Inspection of Youth Offending Service in Gwynedd and Ynys Môn* was submitted to the Committee. The Committee's decision was to accept the report on the outcome and recommendations of the inspection and to congratulate the Service on the results of the inspection. The Committee suggested that the percentage of users receiving a Welsh language service should be added to the statistics in the future

47. Audit Wales's report *Urgent and Emergency Care: Flow out of Hospital – North Wales Region* was submitted to the Committee on 10 October 2024, as well as a joint organisational response to the audit's recommendations. It was noted that the work and findings of Audit Wales had been welcomed, and that the response was a collective response by organisations across the region, with Cyngor Gwynedd playing a key role in the process of patients' discharge from hospital. It was added that the region recognised and identified the improvements that needed to be implemented to ensure support for patients after returning home, and that Gwynedd would make every effort to work with all the partnerships to respond to those challenges. It was also noted that many of the issues aligned with the priorities of Cyngor Gwynedd. It was decided to accept the contents of the report, requesting an update on the recommendations within 12 months.
48. On 16 January 2025, two Audit Wales reports were submitted, namely a national report *Local government financial sustainability* as well as a local report *Financial Sustainability Review – Cyngor Gwynedd*. A Management Response Form to the local report's recommendation was also submitted. During the ensuing discussion, the following observations were made by members:
- A little more detail was required in the action plan, but noted that the steps identified were only the start of the journey and following support and guidance from CIPFA, work will begin to draw up a work programme for the strategy in mid-March 2025, with the intention of introducing a detailed work programme in March 2026.
 - To trial a *zero-based budget* to transform some services.
 - That the reports were useful and looked at the bigger picture.
 - That some Councils were better placed than others to cope with the financial challenges.
 - That the translation of place names on the maps in the national report needed to be corrected.
 - Accepted the Council's position regarding reserves, but for a specific purpose, and not to realise savings.
49. It was resolved to accept the National and Local report and to accept the Council's response to the recommendations.
50. The Annual Audit Summary 2023 was submitted to the Committee at our meeting on 5 September 2024. This summary highlighted the work completed by Audit Wales since the last Annual Audit Summary, published in April 2023. The audit summary is part of the Auditor General for Wales's duties.

Annual Governance Statement

51. One of the Governance and Audit Committee's annual duties is to review and approve the draft Annual Governance Statement. This statement, although not part of the accounts, is a statutory document which needs to be published with the accounts. In accordance with the Accounts and Audit (Wales) Regulations and the CIPFA Code of Practice, all Local Authorities must ensure that a statement of internal management is in place. The Chief Executive and the Council Leader are required to sign the statement, although the Governance and Audit Committee's approval is needed, and the Committee has a key role in checking and challenging its content.
52. Cyngor Gwynedd's Annual Governance Statement for 2023/24 was submitted to the Committee on 5 September 2024. The Committee challenged the content of the statement, and made observations on some of the risk scores, in particular the need to review the Lawfulness likelihood score (this was done following the meeting and the Governance Group concluded that it was appropriate). It was resolved to approve the statement and recommend that the Leader of the Council and the Chief Executive of the Council sign it.
53. Moving forward, it is necessary to consider reviewing the questions and amending the document to make it clear to residents. Although compliant with CIPFA guidelines, a suggestion was made to consider combining with the assessment of governance arrangements included in Cyngor Gwynedd's Self-assessment to avoid duplicating work.

Controls Improvement Working Group

54. One meeting of the Controls Improvement Working Group was held during the year on 28 November 2024 with the Chair of the Governance and Audit Committee, Carys Edwards, Rhys Parry (Vice-chair) and Councillors Angela Russell and Ioan Thomas, Internal Audit officers and officers from the Adults, Health and Well-being Department in attendance. This followed a decision at the Committee's meeting on 10 October 2024 to call the following audits before the Controls Improvement Working Group:
 - Plas Pengwaith
 - Llys Cadfan
 - Plas Hafan.
55. It was reported back to the Committee meeting on 28 November 2024 that the meeting had been beneficial, providing an opportunity for the homes' managers and officers to respond honestly to the situation. The Committee noted that there was concern about agency staff costs and suggested that a review was required to try to retain staff under the management of Cyngor Gwynedd as this would reduce turnover. The Committee considered that the report's recommendations needed to be referred to the attention of the Care Scrutiny Committee, and a suggestion was made on improving the future reports of the Working Group by including a summary of the issues requiring attention at the end of the report.

Review of the Constitution

56. On 9 February 2025, a joint report was submitted by the Monitoring Officer and the Procurement Manager updating the Committee on changes to the Contract Procedure Rules, taking place as a result of the Procurement Act 2023. It was noted that the main objective of the work was to change the Council's Constitution and central arrangements to address the changes in the Act.
57. It was resolved to accept the amended Contract Procedure Rules, taking place as a result of the Procurement Act 2023, which were submitted to the Full Council on 6 March for adoption.

Asset Management Plan

58. On 23 May 2024, the Governance and Audit Committee was asked to consider the work on the revised Asset Management Plan. The Chief Executive submitted a report asking the members to scrutinise the information and offer observations that the facts being submitted were based on robust information and that the propriety of the process of establishing the priorities had been considered in full, before the Cabinet considered the Plan at its meeting on 11 June 2024.
59. After asking the Chief Executive about issues in the draft Plan, and the capital programme, it was resolved to accept the report, approve the propriety of the process of establishing the Plan's priorities and support the recommendation to Cabinet (11 June 2024) to approve the Plan.

North Wales Corporate Joint Committee – Establishment of Governance and Audit Sub-Committee

60. On 10 October 2024, a report was submitted by the Head of Democracy Services with a recommendation that the Committee nominate one councillor to serve on the Governance and Audit Sub-Committee of the North Wales Corporate Joint Committee, and one councillor to act as a deputy for that member. The Committee was also asked to decide whether it wished to nominate a Lay Member to the Governance and Audit Sub-Committee of the North Wales Corporate Joint Committee.
61. The Committee resolved to nominate Councillor Ioan Thomas to serve on the Governance and Audit Sub-Committee of the North Wales Corporate Joint Committee, and to nominate Councillor Richard Glyn Roberts to act as a deputy, nominating Carys Edwards (Chair of the Gwynedd Governance and Audit Committee) to be considered to serve on the Governance and Audit Sub-Committee of the North Wales Corporate Joint Committee as one of the lay members.

Review of Polling Districts and Polling Places

62. A report on the Review of Polling Districts and Polling Places was submitted to the Committee on 28 November 2024. The purpose of the report was to give the Committee an opportunity to consider the results of the review of polling districts and polling places in the Dwyfor Meirionnydd and Bangor Aberconwy (to the extent they were within Gwynedd) parliamentary constituencies, following a consultation period, to be submitted to the Full Council for decision.
63. Local Authorities are required to divide its area into polling districts for UK parliamentary elections, and to designate polling places for these polling districts. Under the Representation of the People Act 1983 and the Review of Polling Districts and Polling Places (Parliamentary Elections) Regulations 2006, the Council is also required to review all polling districts and polling places every five years. A statutory review had taken place between 23 September 2024 and 1 November 2024.
64. After considering the report and questioning the officers, the Committee resolved to accept the report and approve the results of the review for submission to the Full Council on 5 December 2024.

To review and assess the authority's ability to deal with complaints in an effective manner, to produce reports and make recommendations.

65. The Complaints and Service Improvement Annual Report 2023/24 was submitted to the Committee on 28 November 2024, to update the Committee on the content of the Ombudsman's Annual Letter and the Council's arrangements in relation to dealing with complaints.
66. Members were reminded that the Committee had a statutory requirement to ensure that the Council had effective arrangements in place to deal with complaints. It was reiterated that there had been no change in the procedure or the Concerns and Complaints Policy during 2023/2024, and therefore, the content of the Ombudsman's letter was based on the Policy adopted by the Council in 2021.
67. It was reported that the Annual Letter had been received on 9 September 2024. Reference was made to some comments and recommendations made by the Ombudsman, which included, "I would encourage Cyngor Gwynedd, and specifically your Audit and Governance Committee, to use this data to better understand your performance on complaints and consider how well good complaints handling is embedded throughout the Authority."
68. Following a discussion on its contents, the Committee resolved to accept the report.

Review and monitor the authority's internal and external audit arrangements

Internal Audit Work Programme

69. An amended version of the Internal Audit Charter was submitted to the Committee meeting on 23 May 2024. In accordance with the Public Sector Internal Audit Standards 2013 (revised 2017) an Internal Audit Charter must be produced and the contents of the Charter must address the Local Government Application Note (2019) published by CIPFA. It is the Committee's responsibility to approve the charter annually.
70. Attention was drawn to the need in the next year to update the Audit Charter to reflect the new requirements of the *Global Internal Audit Standards* as published by the *Institute of Internal Auditors* (IIA). The adaptations would need to be operational by 2025. Reference was also made to one other change since the 2023/24 charter was approved, namely that the Internal Audit Service's purpose had expanded.
71. The Committee resolved to accept the report and approve the Internal Audit Charter.
72. At the same meeting, the Committee approved the Internal Audit Strategy and the Annual Audit Plan for 2024/25.
73. The Committee received an update on the progress on the work of the audit plan at its meetings on 10 October 2024 and 6 February 2025. Reference was made to the status of the work and the time spent on each audit. Amendments to the plan were approved to reflect the resources that had been available to the service during the year.

Audit Wales Work Programme

74. The 2024 Detailed Audit Plan was submitted by Audit Wales to a meeting on 5 September 2024. The plan noted the work auditors intended to undertake in fulfilling their statutory responsibilities as an external auditor for the Council and in accordance with their role under the Audit Code of Practice. It was noted that the audit of financial statements would focus on the Council's risks and other areas of emphasis, and the performance audit would include the assessment of Assurance and Risk, and local work on the response to current demand for domiciliary care, and the Council's strategy for the use of reserves.
75. The Detailed Plan refers to substantial risks to the financial statements (i.e. Management Override) which are relevant to all Local Authorities, along with other areas the audit would focus on, namely land and building valuation and the valuation of pension fund net liabilities.
76. During the year, the following quarterly updates were submitted to the Committee on the work of the reviewing bodies:
 - Quarter 4 2023/24 to 23 May 2024 meeting
 - Quarter 1 2024/25 to 5 September 2024 meeting
 - Quarter 2 2024/25 to 28 November 2024 meeting.

Functions under the 2021 Act – the Council's Performance

77. It is a new statutory requirement in line with the requirements of the Local Government and Elections (Wales) Act 2021 for the Council to produce a "self-assessment" report, noting its conclusions regarding the extent to which the Council satisfied the performance requirements set out in the Act during the relevant financial year. The same legislation notes that the Council must ensure that a draft version of its self-assessment report is available to the governance and audit committee (Section 91(6)).
78. A draft self-assessment report for 2023/24 was submitted to the Committee on 5 September 2024 and the content was discussed in detail. Following discussion, the Committee resolved to accept the draft self-assessment, but a number of suggestions were made to strengthen the report either for 2024/25 or in future years.
79. Among the comments made was that the Committee needed to be involved earlier in the process – a suggestion to hold a workshop with Members so that the Committee has input and a better opportunity to offer recommendations.
80. It was also suggested that appropriate consultation arrangements should be considered in the future to ensure the input of Gwynedd residents in the process, and that when presenting data a full explanation needs to be ensured. In relation to Increasing the Housing Supply for Local People, the Committee suggested that the impact needed to be highlighted and not just the number.

Monitoring the response and implementation of the recommendations made by external auditors and regulators

81. The Committee received an update on the Recommendations and Proposals for Improvement from External Audit Reports at its meeting on 6 February 2025. In accordance with its statutory role, the Committee must satisfy itself that appropriate arrangements are in place in order to ensure that improvement proposals arising from external audit reports are implemented.
82. Based on the reports submitted to the Committee, and the work of challenging undertaken during both meetings, the Committee was satisfied that the Council's arrangements for responding to the recommendations and proposals for improvement from external audit reports were robust.
83. It was resolved to accept and note that arrangements and processes were in place to ensure that the improvement proposals were being implemented. The new arrangements for reporting on the progress of external audit reports every 6 months to the Committee were welcomed, and the decision that responses to the reports would be submitted to the relevant Department's Performance Challenge and Support meetings was also welcomed.

The Council's response to the Local Government and Elections (Wales) Act 2021

84. One report on the Council's response to the Local Government and Elections (Wales) Act 2021 was submitted to the Committee during the year, namely an update from the Council's Business Support Service Manager to a meeting on 23 May 2024 on the conduct of a Panel Performance Assessment within the Council.
85. The Local Government and Elections (Wales) Act 2021 places a duty on Councils to conduct a Panel Performance Assessment once in every electoral cycle. The duty came into force in May 2022. The Committee was asked to consider the submitted report and offer any comments and recommendations with a particular focus on the potential areas for the Panel to examine.
86. In addition to the issues already listed in the report, the Committee proposed that the Panel should consider workforce planning, succession planning and managerial succession as potential fields for the Panel to examine.

The Committee's Effectiveness

87. The Committee received an update on the steps taken to implement the decisions made at each of its meetings during 2024/25. The Committee is of the view that this is a significant step to ensure that it continues to operate effectively.
88. A workshop was held in the Council Offices, Caernarfon on 3 April 2024. An external facilitator was used to support the workshop who had extensive experience in the field of audit. There was a feeling that the workshop had been extremely valuable, it followed CIPFA guidelines, and the good practice questions were used as shown in the CIPFA publication *"Audit Committees: Practical Guidance for Local Authorities"* for conducting a high-level review that incorporates the key principles as noted in the CIPFA Position Statement.
89. At its meeting on 23 May 2024, the Committee agreed to accept and approve the content of the self-assessment of good practice and to approve and support the actions. It was noted that opportunities needed to be identified to reinforce the relationship between external regulators and Internal Audit.
90. The Committee has received an update at each meeting (if not impractical) on progress against the Committee's decisions, and as part of the action plan for the self-assessment a rolling forward programme will be submitted to each meeting.