

**MINUTES OF A MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE HELD  
AT TEAMS LIVE ON WEDNESDAY, 29 SEPTEMBER 2021**

**PRESENT**

County Councillors J G Morris, D R Jones, M J Jones, K Lewis, DW Meredith, WD Powell, D A Thomas, R G Thomas, T J Van-Rees, A Williams and J M Williams and Mr J Brautigam

Cabinet Portfolio Holders In Attendance: County Councillor A W Davies

Officers: Dan Paley and Jane Thomas, Head of Finance

<b>1.</b>	<b>APOLOGIES</b>
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Apologies for absence were received from County Councillors M Barnes and R Williams

<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>
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There were no declarations of interest.

<b>3.</b>	<b>MINUTES</b>
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The Chair was authorised to sign the minutes of the previous meeting, held on 30 July 2021, as a correct record.

Arising thereon:

- Children's Services Budget Management, SWAP report – the Chair had discussed the report with the Chair of the Health and Care Committee
- The changes proposed to the Governance and Audit Committee were approved by County Council
- The report regarding issues surrounding WCCIS had still not been circulated – this would be followed up. Audit Wales were aware of the ongoing strategic risk within the Council and across Wales and were engaging in discussions

<b>4.</b>	<b>STATEMENT OF ACCOUNTS 2020/21</b>
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**Documents:**

- Report of the Head of Finance
- Letter of Representation
- Audit Wales – Powys Audit Accounts Report
- Statement of Accounts 2020/21
- Annual Governance Statement 2020/21

**Discussion:**

- The Council had published, in accordance with requirements, why the original target dates had not been met

- The Audit of the Pension Fund will be completed in November and the Governance and Audit Committee will convene on 18 November to approve those accounts
- Audit Wales intend to issue an unqualified opinion
- The letter of representation will be presented to the Auditor General together with the signed accounts if approved by the Committee
- The Committee had undertaken two seminars to go through the accounts in detail
- There had been three uncorrected misstatements but two had been under discussion and resolved with the third remaining uncorrected. This was in relation to Welshpool Church in Wales School - when Dawnus had collapsed additional costs had been incurred and a variation had been submitted. The Authority believed the debtor was still valid within the 21 Century Schools envelope. This had also been an uncorrected misstatement in the previous year's accounts of £1.2M but this had reduced to £694K in the current statement due to ineligible highways works having been removed.
- There was an emphasis of matter regarding the revaluation of investment properties and surplus assets
- A public notice inviting inspection had been made, but there had been no take up of the invitation
- Audit Wales reported that the intention was to issue an unqualified opinion but there were issues that had to be drawn to the Committee's attention including the concept of materiality which was £5.1M although varied in some other areas such as Senior Managers' emoluments where the level was £1000
- It was confirmed that safeguards had been effective and there had been no threats to Audit Wales' independence
- The accounts had been audited for a second year since the pandemic had started. Audit Wales recognised the commitment of the Finance Team and the audit had been completed ahead of statutory deadlines. There had been some delays in some areas given the impact of lockdown and a lack of adequate audit trails in some cases.
- Audit Wales clarified that the matter of emphasis related to uncertainty and not the figures provided
- The issue relating to the misstatement was not considered material but there was insufficient assurance that the debt would be repaid
- There had been less errors during the audit and those that were discovered were primarily disclosure errors
- GCRE had been in development and required additional disclosures late in the year
- The Vice Chair noted that the impact of the material uncertainty was intangible but noticed that this had been removed from the Pension Fund Account. He believed the uncertainty in this area was more worrying. Audit Wales responded that the Pension Fund audit had only just commenced but that the assets were very different. The Actuaries would be considering this as the pandemic progresses.
- The Head of Finance noted that the timescales would be tightened for the 2021/22 accounts. Remote working was not proving to be a hinderance. She was pleased that there had been an improvement in the level of corrections but intended to remove the delays in obtaining evidence to further improve the process.
- Audit Wales commented that they liked the seminar approach to the Committee reviewing the statement of accounts. A partnership approach was being taken with the Finance Team and Audit Wales extended their thanks to the Team for the work undertaken.
- The Chair noted that in considering the detail of the statement of accounts in seminars, the public were unaware of the discussions that had taken place. He

would consider how to bring forward issues raised by Members in seminars with the Head of Finance. He too extended his thanks to the Finance Team for their efforts.

- The Chair noted that there had been an internal audit report on officers' code of conduct and sought confirmation that this had been completed. The Head of Finance indicated that there had been no concerns but would seek further confirmation.

**Outcomes:**

- **The 2020-21 Statement of Accounts be approved and be formally signed by Chair of the Committee and the Section 151 Officer**
- **The Statement of Accounts be published as soon as possible but certainly by the 30 November 2021.**
- **The 2020-21 Annual Governance Statement be approved and be formally signed by The Leader of the Council and the Chief Executive.**
- **The Annual Governance Statement be published as soon as possible but certainly by the 30 November 2021**

<b>5.</b>	<b>WORK PROGRAMME</b>
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**Documents:**

- work programme

**Discussion:**

- An additional meeting to consider the SWAP report into Y Gaer would take place on 8 October 2021
- Other SWAP reports into Ysgol Calon Cymru and Covid Business Grants would be considered at the November meeting
- The Highways report would not be completed until the end of the year, but sections would be brought to the Committee as they were completed

**Outcomes:**

- **The work programme was noted**

**County Councillor JG Morris (Chair)**