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Dear Karen

## Assurance and Risk Assessment Progress Update

Following on from our meeting with the Corporate Management Team earlier this year we said that we would more formally feedback on some specific aspects of our assurance and risk assessment work that we have undertaken. This letter provides a progress update on the Council's arrangements for responding to the requirements of the Local Government and Elections (Wales) Act 2021.

This work was undertaken as part of our 2021-22 Assurance and Risk Assessment (ARA) project to help discharge the Auditor General's duties<sup>1</sup>.

We recognise that the Council's response to the Local Government and Elections (Wales) Act 2021 is ongoing. This feedback provides a point in time assurance and risk progress update on the Council's arrangements in this area.

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<sup>1</sup> These duties include under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act). It may also inform a study for improving value for money under section 41 of the 2004 Act, and/or an examination undertaken by the Auditor General under section 15 of the Well-being of Future Generations (Wales) Act 2015.

## Arrangements for responding to the Local Government and Elections (Wales) Act 2021

### What we did

We undertook our assessment of the Council's progress in responding to key requirements in the Local Government and Elections and (Wales) Act 2021 between March and April 2022. The evidence was gathered through interviews and document reviews and also drew on relevant findings from our other ongoing and recent work at the Council. Our work looked at the arrangements the Council is putting in place in responding to the Local Government and Elections and (Wales) Act 2021. The work was not an assessment of the effectiveness of these arrangements.

### What we found

- **Arrangements for Self-Assessment and Panel Assessments**

The Council undertook some work in early 2021 to start to develop the approach to its self-assessment arrangements. However, this was paused to enable key staff to focus on the development of the Council's new Corporate Plan. Now that the Corporate Plan has been published the Council is working with the Welsh Local Government Association (WLGA) to help design its approach to self-assessment and determine how best to engage Members in the process.

Whilst the overall self-assessment approach is still being finalised, as part of its business planning approach the Council has developed a Service Recovery Plan Template and Guidance which includes a section on undertaking the self-assessment. The Council proposes that this process will provide some of the primary evidence that will enable it to discharge its self-assessment responsibility under the Act. The approach is underpinned by several key aims, including:

- to be the key planning tool for the service that will underpin planning and performance arrangements at service level;
- to enable services to provide an honest, objective and transparent evaluation of performance and demonstrate self-awareness from evidenced-based analysis;
- to help services have a deeper understanding of their service to make better decisions, inform planning and manage risks;

- to help inform self-evaluation at its corporate level (which is now required by law); and
- to help communicate service performance to stakeholders.

It is the Council's intention to combine the outputs from the self-assessment work and the annual report of progress on the Council's well-being objectives into one report, which it intends to publish in September/October 2022.

The Council has told us that the decisions for the self-assessment arrangements and timing for the associated statutory Panel Assessment will be taken by the new administration after the May 2022 elections. However, the current thinking is that this panel is likely to take place midterm of the new administration.

- **Arrangement for the Consultation Duty and Participation Strategy**

The Council is still developing how it proposes to discharge its consultation duty on its self-assessment. However, in the development of its new Corporate Plan the Council has undertaken extensive engagement and consultation with citizens, and other stakeholders. The Council has told us that any consultation on the self-assessment will build on this existing engagement and consultation work.

The Council is currently drafting its Participation Strategy and has told us that it is keen to ensure there is a Council-wide approach to the development of the Strategy and that it meets the requirements contained within the Local Government and Elections Act Guidance.

- **Arrangements for the changes to Governance and Audit Committees**

The required changes to the Council's new Governance and Audit Committees (G&AC) composition and new Terms of Reference were agreed at its Annual General Meeting in March 2021. The G&AC will be comprised of 12 members, of which there will be three new lay members and one existing lay member. The formal appointment of three new lay members took place in February 2022.

The Council had planned to undertake some initial induction training for the new lay members in March 2022 with further training for all Members to be undertaken by the WLGA in June 2022.

- **Arrangements for establishing Corporate Joint Committees (CJC)**

The South West Wales CJC (SWWCJC) was established on 13 January 2022 in conjunction with the other statutory partners, City and County of Swansea Council,

Carmarthenshire County Council, Brecon Beacons and Pembrokeshire Coast National Park Authorities. Key statutory decisions were taken at this meeting, such as appointment to the governance structure, agreeing the constitution and other statutory requirements such as those around scrutiny and overview. The approval of the Draft Budget was taken at a later meeting on 25 January 2022.

The SWWCJC has been organised around a sub-committee structure for the key areas of responsibility. However, a decision was taken not to integrate other regional economic development programmes, such as the City Deal, into the CJC at this point in time to avoid any potential disruption to the delivery of the City Deal.

The Council also expressed some concern over the current lack of clarity around the agreed legal status of the CJs across Wales. With this posing a risk that monies that may potentially flow through the CJC could be subject to VAT and Corporation Tax. The Council is working with the WLGA to seek a solution to this.

- **Use of the General Power of Competence (GPoC)**

The Council has told us that it has no immediate plans to use this power. However, this position may change once they have received the proposed Welsh Government GPoC guidance, which should provide more information on how the power might be used. However, the Council has reported that there has been interest from Community and Town Councils on the potential for them to use this power.

This letter forms part of the feedback on our Assurance and Risk Assessment work. We will also be reporting in due course on three further subject areas: recovery planning, carbon reduction and an update on financial sustainability. It is intended that the work on these three areas will be reported in Summer 2022.

I would like to take this opportunity to thank you and your officers for the ongoing support you provide to enable us to carry out our work. We look forward to continuing to work positively with you going forward.

Yours sincerely,

Non Jenkins  
**Audit Manager**