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## GOVERNANCE AND AUDIT COMMITTEE 25/05/23

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**Present:**

**Councillors:** Menna Baines, Jina Gwyrfai, Elwyn Jones, Meryl Roberts, Richard Glyn Roberts, Huw Rowlands, Paul Rowlinson, Rob Triggs and Elfed Wyn ap Elwyn

**Lay Members:** Sharon Warnes, Eifion Jones, Clare Hitchcock, Carys Edwards and Rhys Parry

**Officers:** Dewi Morgan (Head of Finance Department), Siân Pugh (Assistant Head of Finance - Sustainability and Developments), Caren Rees-Jones (Group Accountant - Capital and Management), Luned Fon Jones (Internal Audit Manager), Bleddyn Rhys (Audit Leader), Caleb Lewis (Cynllun Yfory - Finance and Accountancy Professional Trainee), Osian Elis (Executive Officer) and Lowri Haf Evans (Democracy Services Officer)

**Others invited:**

Councillor Ioan Thomas (Cabinet Member for Finance)

Item 8: Dewi Wyn Jones (Executive Support Leader), Alan Hughes and Yvonne Thomas (Audit Wales)

Item 9: Iwan Evans (Head of Legal Service), Vera Jones (Democracy and Language Services Manager)

**1. ELECT CHAIR**

**RESOLVED to re-elect Sharon Warnes as Chair of this Committee for 2023/24**

**2. ELECT DEPUTY CHAIR**

**RESOLVED to re-elect H Eifion Jones as Vice-chair of this Committee for 2023/24**

**3. APOLOGIES**

Apologies were received from Cllr Angela Russell.

Carys Edwards (Lay Member) was welcomed to her first meeting.

Sympathies were extended to Ffion Madog Evans (Assistant Head of Finance Department - Accountancy and Pensions) on the recent loss of her father.

**4. DECLARATION OF PERSONAL INTEREST**

Carys Edwards – Lay Member Item 11: Appendix 12 - Smallholdings, as she was a tenant of one of the Council's smallholdings. It was a prejudicial interest and therefore she withdrew from the meeting during the discussion on the subject.

**5. URGENT ITEMS**

None to note

**6. MINUTES**

The Chair signed the minutes of the previous meetings of this committee, held on 26 January 2023 and 9 February 2023 as a true record.

**7. IMPELEMENTING THE DECISIONS OF THE COMMITTEE**

A report was submitted providing an outline of how the Council's departments had responded to the decisions of the Governance and Audit Committee so that Members could be assured that their decisions were addressed. It was noted that the report gave Members an opportunity to consider the decisions made with the intention of removing the item/decision when the action had been completed.

The officer was thanked for the report.

**RESOLVED:**

**To accept the report**

**8. AUDIT WALES REPORTS**

Alan Hughes and Yvonne Thomas (Wales Audit Office) were welcomed to the meeting to present the following reports.

**Audit Wales's Quarter 4 Work Programme**

An update was presented on the Audit Wales work programme and timetable up to the end of March 2023. It was noted that a draft report summarising the audit work completed since the Annual Audit Summary had been published in March 2023.

It was confirmed that a 2021-22 Statement of the Council's Accounts had received an unqualified opinion on 31 January 2023.

It was noted that it had been a busy year, and despite the slippage in staff turnover, work continued although the timetable had also slipped somewhat.

**Annual Audit Summary 2022**

A report was presented, summarising the Cyngor Gwynedd audit, which highlighted the work completed since the Audit Summary published in January 2022. It was noted that the audit formed part of the Auditor General for Wales's duties.

It was highlighted that the work that had been delivered included duties such as continuous improvement, auditing of accounts, ensuring value for money and assessing to what extent public bodies complied with the sustainable development duty.

Reference was made to some specific projects that had been reviewed. In the context of the review of Performance Management it had been concluded that the Council had a performance management framework that was developing well although implementation was currently variable, and reporting was difficult to navigate.

Thanks were expressed for the clear and self-explanatory report.

### **Outline Audit Plan 2023**

A report was submitted by Audit Wales noting the work they intended to undertake during 2023 as a means of achieving 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 plan included an audit timeline and drew attention to the fact that the Detailed Audit Plan 2023 would be completed by September 2023 - due to the introduction of amendments to the Auditor requirement arrangements that included further work in assessing risks prior to submitting statements.

The officer was thanked for the report.

In response to a question about whether the new Auditor requirements would place more pressure on Council staff, it was noted that Audit Wales resources would be used to identify risks and plans, and that there might be a need for further collaboration. It was added that the work of identifying risks would take priority.

### **RESOLVED to accept the reports**

## **9. LOCAL GOVERNMENT AND ELECTIONS (WALES) ACT 2021**

The Head of Legal Services (Monitoring Officer) presented an update on the plan for the implementation of the Local Government and Elections (Wales) Act 2021. Members were reminded that there were a number of actions deriving from the provisions of the Act that came into force in 2022 following Royal Assent. It was noted that the Act had been included within the Council's Corporate Risk Register, with the Governance and Audit Committee keeping an overview and assurance in relation to the required actions to implement the provisions.

It was highlighted that the main elements of the Act had been adopted and were now operational, and that the Participation Strategy and Petitions Scheme had been adopted and had been placed on the Council's website. It was reiterated that the work on preparing guidance on the draft Constitution was being completed, and that a consultation period would be held prior to publishing a final version.

Reference was made to the fact that the Act provided an option to adopt a single transferable vote system for the elections of the Principal Councils, and a briefing paper had been provided to Group Leaders on this issue. It was noted that there was an intention to hold a workshop for all members in June 2023 to discuss a number of matters that were developing across the field of elections and voting, that would include this element. Following this, a report would be submitted on

the voting arrangements to the Full Council during the Autumn to discuss the options and seek guidance on whether there was a desire to initiate a process to consider adopting alternative arrangements.

The final element of the work would be to complete the work of updating and amending the Constitution (although some necessary updates had already been adopted and published). It was explained that some technical matters needed to be completed (such as matters in relation to the Corporate Joint Committee) and an opportunity to review and update the contents of the Constitution in general. The work was intended to be completed finally by the Autumn with reports being submitted to the Committee for guidance on specific elements.

The officer was thanked for the report.

In response to a question regarding the appointment of a 'panel' (of residents and stakeholders) for assessing the Council's performance that would meet once a term to review the Council's work, it was noted that the provision was operational. It was reiterated that the Governance and Audit Committee held the central role to receive performance reports, and the panel's feedback was expected to contribute to the Council's performance system for the Committee's consideration prior to submission to the Cabinet.

In response to an observation regarding the preparation of guidance to the Constitution, if it was to be an 'explanatory document', the Monitoring Officer noted that the Constitution was an operational document of approximately 300 pages, and that the document would be a summary containing the main aspects of the Constitution written in a way that was less technical in nature, which explained the Council's arrangements and some governance and executive elements.

In response to an observation regarding encouraging participation, and to what extent this would run in parallel with Democracy arrangements, the Monitoring Officer noted that the Welsh Government's objective was to link the relevance of local government to the community - so that interested parties were able to contribute. He reiterated that the process needed to be strengthened, but there was a well-established procedure to evaluate the input.

In response to a question regarding who would make the decision to adopt the STV system and whether there was scope for two systems, it was noted that the Act only offered one option, and that there was no duty to review the existing system. However, it was emphasised that it would be important to hold the discussion about the option, whether or not it was a matter for Gwynedd.

## **RESOLVED**

**To accept the report and the progress of the work programme**

### **10. INTERNAL AUDIT CHARTER**

In accordance with the Public Sector Internal Audit Standards 2013 (revised 2017) an Internal Audit Charter needed to be set out and the contents of the Charter needed to address the Local Government Application Note (2019) published by CIPFA. The Gwynedd Internal Audit Charter was presented by the Audit Manager and it was noted that it was the Committee's responsibility to approve the charter annually.

Thanks were expressed for the report.

In response to an observation regarding the arrangements to avoid conflicting interests and/or delivering work apart from assurance work, the Audit Manager noted that if, for instance, the Audit Unit provided input to establishing a new system, it would be difficult to audit that field if it had participated in the process of its introduction. The Unit would therefore try to ensure, if an auditor had been involved in the consultation work, that another auditor was responsible for the audit work in order to avoid conflict.

It was suggested in future, that clarification should be included in the report.

## **RESOLVED**

**To accept the report and approve the Internal Audit Charter**

## **11. OUTPUT OF THE INTERNAL AUDIT SECTION**

Submitted for information, a report by the Audit Manager updating the Committee on the internal audit work for the period from 25 January 2023 until 31 March 2023. It was highlighted that 12 of the audits in the existing plan had been completed and given a high assurance level; adequate or restricted.

Each audit was referred to in turn.

Matters arising from the subsequent discussion

- Planning – Communication Arrangements – Restricted
  - The service's performance was insufficient in responding to planning applications.
  - Planning enforcement did not happen.
  - In the context of planning decisions made within eight weeks, although 70% of the applications that were checked had received a decision within the eight weeks, more information and details were required about the remaining 30%.
  - The report was disappointing, although not surprising. Although the report noted the problems of the Covid period and recruitment problems, how confident was the Audit Unit that the Planning Service could operate effectively?
  - A suggestion was made that enforcement arrangements were considered as an area to be examined.

In response to the observations, the Audit Manager noted that the Planning Manager had proposed the actions, and therefore concerns such as staffing resources had been considered in discussing the draft report and the action plan with the auditors.

- Arrangements for Ash Dieback Disease
  - Risks to people and vehicles should over-ride biodiversity risks in the context of Ash Dieback disease.
- Staff Recruitment and Retention Arrangements
  - The Adults, Health and Well-being Department's intention to establish

exit interviews to be held through the self-service system was welcomed. This would provide a good opportunity to understand and improve working conditions, was good practice and an opportunity for individuals to express their views without reprisal.

- It was recommended that the auditors should return to the Service to suggest that personal interviews were held.
- Although it was accepted that personal interviews were not always possible, and that self-service provided better circumstances, it was suggested that the individual could be offered the choice.
- This was a bureaucratic process here to facilitate a process - it was not mandatory to complete the interview on the system - it was only voluntary. As a major employer, the Council should use personal interviews that could identify problems and ways to resolve them.

In response, the Audit Manager suggested that an additional piece of work could be undertaken on 'exit interviews' and report back to the Committee. She reiterated that the Corporate Support Department was trying to improve the arrangements regarding exit interviews – personal interviews should be considered as a good opportunity to receive feedback, to return equipment and 'conclude' the employment.

- Liberty Protection Safeguards
  - Concern about staff shortages and the use of agency staff could lead to a financial penalty
  - An expectation for BIA officers to conduct assessments 'in their own time' was unacceptable

In response, the Audit Manager noted that the aim was for BIA staff to allocate time to complete the DoLS work by using the overtime element  
- there was no expectation for them to work for free.

- Smallholdings
  - The report was disappointing, and the situation had not improved at all over the past five years.
  - They were not considered to be a 'major' service and therefore better arrangements were to be expected with the problems resolved.
  - Inconsistencies with rent payments - Council negligence here.
  - Concerns had been highlighted by Members in the Full Council, but no response.

In response, the Planning Manager noted that this related to 39 houses and seven land-holdings and that it was not a high number within the smallholdings estate. There was acknowledgement and acceptance that the rental situation was one that should have been identified and resolved earlier - the auditor had been responsible for this finding.

Thanks were expressed for the report.

#### **RESOLVED:**

- **To accept the report**
- **To support the actions that have already been agreed with the relevant services**
- **To refer the 3 limited fields to the Improvement Working Group**
  - **Planning - Communication Arrangements**
  - **Liberty Protection Safeguards**

## - Smallholdings

**Note: Appendix 10 Staff Recruitment and Retention Arrangements. Actions. Bullet point 3 'Move the exit form systems to the Council's Self-service system but continue to prioritise face-to-face interviews as a means of ascertaining individuals' reasons for leaving their jobs'**

## 12. HEAD OF INTERNAL AUDIT ANNUAL REPORT 2022/2023

Submitted - the report of the Audit Manager, expressing Internal Audit's opinion of the overall control environment within the Authority during 2022/23 providing the said annual internal audit opinion to the Authority. It was noted that assurance could never be absolute, and the most that the internal audit service could provide to the Council was a reasonable assurance that there were no major weaknesses in the whole system of internal control.

On the basis of Internal Audit work completed during 2022/2023, it was considered that Cyngor Gwynedd's system of internal control during the financial year 2020/2021 operated to a level which provided reasonable assurance on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and internal control.

A total of 41 pieces of work were included in the final revised audit plan for 2022/2023. 40 assignments had been completed by 31 March 2023, representing 97.56% of the plan. Of the relevant reports of the 2022/2023 audit plan that received a level of assurance, 77.14% had received a 'Satisfactory' or 'High' assurance level.

Since 1 April 2021, there were seven full-time members in the Internal Audit Team and one Temporary Senior Auditor. It was noted that money had been earmarked to fund this additional resource for the Service to implement audits when the crisis restrictions were relaxed, as reported by the Head of Finance to the Audit and Governance Committee on 11/02/2021.

In the context of the Quality Assurance and Improvement Programme it was noted that public sector bodies reviewed their audit procedures against the Public Sector Internal Audit Standards (PSIAS) at least once every five years. The results of the self-assessment against the standards and the amended Note to Local Government (2019) would be submitted to the Audit and Governance Committee during 2023/2024.

Thanks were expressed for the report.

Matters arising from the subsequent discussion

- Welcomed the detailed report.
- Congratulated the Unit on completing 97.5% of the audits - a significant increase from 2021/22.
- Improved collaboration and support needed from departments to increase the proportion of agreed actions - need to re-establish the Management Improvement Working Group.
- Unless there was a response to the agreed action, a request should be made for a further report to Committee for the decision to call a service in for a discussion - important for the committee to support this.
- A suggestion that the report on failures to respond to the actions should be referred to the Cabinet Member - an opportunity to discuss in the

quarterly performance challenge meetings.

- The Committee's power to challenge performance - re-establishing the working group would be extremely beneficial in moving issues forward.
- A need to raise awareness of Heads of Departments to the work of Internal Audit.

In response to a question regarding the number of auditors working on each audit, it was noted that one auditor worked on each audit, and was accountable to a leader that would review the arrangements and monitor the quality of the audit. It was the exception to have more than one person working on an audit. It was added that the team worked together very well. Bleddyn Rhys and Eva Chan were thanked for stepping up during Luned's sickness absence.

#### **RESOLVED**

- **To accept the report in accordance with the requirements of the Public Sector Internal Audit Standards for the 2022/23 financial year.**
- **To re-establish the Controls Improvement Working Group.**
  - **Membership to include Sharon Warnes (Chair), Eifion Jones (Vice-chair). Rhys Parry, Meryl Roberts and Carys Edwards also volunteered.**

### **13. INTERNAL AUDIT STRATEGY AND ANNUAL INTERNAL AUDIT PLAN 2023/2024**

In accordance with the requirements of the Public Sector Internal Audit Standards, a risk-based plan was submitted to determine the priorities of the Internal Audit activity, consistent with the Council's goals. It was explained that the plan was sufficiently flexible to give attention to any matters which became apparent, any adaptations/amendments to be approved by the Committee. Reference was made to the use of the AGILE methodology that provided a flexible and dynamic Internal Audit Planning approach as a result of continuous risk monitoring.

Thanks were expressed for the report.

#### **RESOLVED**

**To accept the report and approve the Internal Audit Strategy and Annual Audit Plan**

### **14. FINAL ACCOUNTS 2022/23 - REVENUE OUTTURN**

The Cabinet Member for Finance noted that the report would be submitted to the Cabinet on 13 June 2023 and that the Committee needed to scrutinise it and offer observations on the position prior to this.

The Assistant Head of Finance - Sustainability and Developments set out the context of the report. It was noted that the report elaborated on the Council's expenditure in 2022/23, the out-turn position of the underspend or overspend of individual departments, and the reasons for this. Reference was made to a summary of the final financial position of all the departments, which highlighted the amounts to be carried forward at the end of the year, together with the principal matters and areas where there had been significant differences. It was highlighted that,



- at the end of the year, an overspend position was reported by seven departments as a result of a number of factors such as a failure to realise savings, salary inflation above budget level and increasing energy prices. Reference was made to the five departments with the highest overspends
  - Adults, Health and Well-being Department: Overspend of £3.9 million, with £921 thousand as a result of difficulties realising savings. There had been an increased use of agency staff in various fields, pressures on supported accommodation and direct payment packages were issues in Older People's Services and in Learning Disabilities that had also contributed to the overspends.
  - Education Department: Overspend of £1.2 million. The impact of the additional inflation cost of assistants and administrative staff of £690 thousand and the effect of higher electricity prices of £614 thousand. Given that schools had already benefited from almost a £1 million in energy savings deriving from Covid and the associated lockdown periods, school balances were used to fund the additional pressures of £1.304 million.
  - Economy Department / Byw'n Iach. In 2021/22, Byw'n Iach received £1.4 million of financial assistance from the Welsh Government. No such support was available in 2022/23, but the impact of Covid continued to affect the ability to generate income. As a result, the Council extended the assurance period for the financial support for the company until the end of 2022/23.
  - Highways and Municipal Department; Overspend of £2.5 million with the field of waste collection and recycling continuing to overspend. Reference was made to one-off funding and increasing pressure on the Highways services budget by the end of the year and the difficulties in realising savings worth £608 thousand, of which £335 thousand was in the field of waste.
  - Housing and Property Department: The impact of the Homelessness Act led to significant financial pressures and although the Department had received £1.5m from the Council's post-Covid arrangements fund, there was an overspend of £2.5 million. It was expected that this overspend would be funded from the Council Tax Premium Fund.
- There were several reasons for one-off underspends on several Corporate headings.
- The increase in interest rates had led to an additional £1.3 million, and fewer households had claimed the council tax reduction compared to previous years.
- Prudent projections when setting the 2022/23 budget and a change to taxation legislation had contributed to the additional tax outputs, with houses transferring from non-domestic rates to council tax.
- The schools' balances had reduced by £4.8m, namely from £16.7m in 2021/22 to £11.9m in 2022/23. In recent years, a significant increase had been seen in school balances as a result of Covid and substantial grant receipts, but they had now reduced with projections of further reductions by the end of 2023/24 and returning to usual levels.
- There had been review of the adequacy of the Council's specific funds when closing the accounts and it had been possible to harvest £3.918 million of resources.

Thanks were expressed for the report - it was noted that the receipt of regular reports on the overspend position over the financial year had been beneficial given the final position.

During the ensuing discussion, the following observations were made by Members:

- The dependence on grants would create a situation of unstable funding.
- Schools were unable to set a negative budget - the situation of uncertain grant allocations created a risk to the school funding system; led to decisions on redundancies due to surplus - was a deficient and risky system.
- There was an increase in the average age of Gwynedd's residents that would lead to an increase in service use and would therefore increase future budgetary risks.

In response to an observation that the sums and positions would be different next year 2023/24 (interest rate adaptations, Council tax reductions, etc.), the Head of the Finance Department noted, in setting the budget for 2023/24, that all efforts had been made to realistically estimate each situation. In response to a supplementary observation that unless corporate spending was reduced there would be a risk to those overspending departments, it was noted that some corporate headings this year had saved the situation although this approach could not continue - the expectation was that expenditure would be in line with the available budget.

In response to an observation that there was historic overspending in the field of Adults, and that under-funding was a risk given that the requirements of individuals was central, and there was an increase in expectations, it was noted that a number of departments were overspending although significant progress had been observed in the Adults, Health and Well-being Department since the review in November and at the end of the year. It was noted that it was intended to review some savings schemes - those that had not been realised historically and investigate the reasons why. It was added that the lack of provision in the budget was being reviewed, and although it was accepted that there had been more unavoidable expenditure in 2022/23, it was impossible to cope with situation of an overspend of £4m in one department. The Cabinet Member reiterated that the Adults Department's budget was reasonable, and although it was accepted that there was an overspend, the failure to realise the savings proposed by the department itself was unacceptable.

In response to an observation that an external body should be requested to examine the possibility of implementing savings, it was noted that the Council used the Ffordd Gwynedd system to focus on citizens' needs. It was added that other regulatory bodies in the field of Care were keeping an overview of the situation.

In response to an observation regarding the financial deficits of schools at the end of 2022/23 and that schools were independent of Council control, it was noted that schools could not be forced to use their balances - a sum was allocated by the Finance Department and the school's governing body was responsible for the expenditure.

## **RESOLVED**

- **To accept the report**
- **To note the relevant risks**
- **To support the recommendation for the Cabinet (13 June 2023) to approve the amounts to be carried forward; to approve all**

## recommendations and financial virements

### 15. CAPITAL PROGRAMME 2022-23 – END OF YEAR REVIEW (31 MARCH 2023 POSITION)

The Group Accountant - Capital and Management highlighted that the main purpose of the report was to present the amended capital programme at the end of the financial year (situation as at 31 March 2023), and to approve the relevant funding sources. Reference was made to the breakdown per Department of the £142.2 million capital programme for the 3 years from 2022/23 - 2024/25, as well as the sources that were available to fund the net increase which was approximately £1.6 million since the last review.

The main findings of the review were that the Council had managed to spend £37.1m in 2022/23 on capital schemes, and £17.1m (46%) of it funded through specific grants.

It was explained that the impact of recent financial challenges on the capital programme was evident and in addition to the £40.8 million reported upon in previous 2022/23 reviews, a further £17.4 million of proposed spending had been re-profiled from 2022/23 to 2023/24, with the main plans including:

- £11.8 million in Housing Strategy and Homelessness Plans
- £9.3 million Schools Schemes (Sustainable Learning Communities and Others)
- £5.3 million to Renew Vehicles
- £5.2 million Grants and Other Housing Schemes
- £3.5 million Penygroes Health and Care Hub

In addition, the Council managed to attract further grants since the last review, which included:

- £2.2 million - 22/23 School Maintenance Grant.
- £0.3 million - Grants from the Welsh Government and the National Trust towards the coastal protection scheme in Porthdinllaen.
- £0.2 million – Flying Start and Childcare Grants from the Welsh Government.
- £0.2 million – Regional Integration Fund Grant - adaptations to establishments and facilitate joint working with other agencies.

The Committee was asked to consider and scrutinise the information before submitting the information to the Cabinet for approval on 13 June 2023.

Thanks were expressed for the report.

#### RESOLVED

- **To accept the report**
- **To note the relevant risks**
- **To support the recommendation to Cabinet (13 June 2023) to approve the expenditure of £37,131,000 on the capital programme during the 2022/23 financial year and approve the amended funding**

### 16. THE JOINT PLANNING POLICY COMMITTEE FINAL ACCOUNTS FOR THE YEAR

**ENDED MARCH 31 2023**

The Assistant Head of Finance - Sustainability and Developments presented the report. It was explained that as the joint agreement between Gwynedd and Anglesey had ended on 31 March, and the Joint Planning Policy Committee (that held the right to approve the final accounts) had not met after this date, the final accounts were being submitted to the Governance and Audit Committee.

As the turnover of the joint committee was below £2.5m, it was deemed to be a smaller local government body, and therefore completing an annual return provided by Audit Wales met with statutory requirements.

Reference was made to the out-turn report that explained the final position of the Joint Planning Policy Committee's income and expenditure for 2022/23. It was noted that there was an underspend on a number of headings, including a £26 thousand underspend on "Employees", £10 thousand underspend on "Transport", £31 thousand underspend on "Project Development Costs", however there were £10 thousand "Savings to be found". £22 thousand of the underspend was transferred to the Balances that led to a balance of £201 thousand at the end of the financial year.

Attention was drawn to the external auditors' standard form together with the Annual Governance Statement, that gave assurance of a robust internal control system. It was highlighted that the accounts had already been subject to an internal audit and had now been submitted for an external audit by Audit Wales. It was added that only if changes were required following the audit would an amended version be presented to the Committee in December.

Thanks were expressed for the report. A former member of the Joint Planning Policy Committee and a Member of this Committee noted that the final balance had been shared equally between Gwynedd and Anglesey.

**RESOLVED**

- **To accept the report**
- **To Approve:**
  - **The Revenue Income and Expenditure Account 2022/23**
  - **The Annual Return for the year ending 31 March 2023, subject to audit by Audit Wales**
  - **The Chair to sign the form electronically**

**17. GWYNEDD HARBOURS' FINAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023**

The Assistant Head of Finance - Sustainability and Developments presented the report. It was explained, in accordance with the statutory requirements under the Harbours Act 1964, as a harbour authority, Gwynedd was required to provide an annual accounts statement relating to the activities of Barmouth, Aberdyfi, Pwllheli and Porthmadog harbours. As the turnover of the harbours was below £2.5m, it was deemed to be a smaller local government body, and therefore completing an annual return provided by Audit Wales met with statutory requirements.

Reference was made to the income and expenditure account, and it was highlighted that there was an underspend of £53,346 at the end of the year. Of

this sum, it was reported that there was underspend on staffing and buildings (due to less expenditure on maintenance and grounds maintenance), however, there was an overspend mainly on signage, notices and boat maintenance. In terms of income, it was reported that there was an income deficit of £3 thousand on fee levels and rents.

Attention was drawn to the external auditors' standard form together with the Annual Governance Statement, that gave assurance of a robust internal control system. It was highlighted that the accounts had already been subject to an internal audit and had now been submitted for an external audit by Audit Wales. It was added that only if changes were required following the audit would an amended version be presented to the Committee in December.

**Thanks were expressed for the report.**

**RESOLVED**

- **To accept the report**
- **To approve:**
  - **The Revenue Income and Expenditure Account 2022/23**
  - **The Annual Return for the year ending 31 March 2023, subject to audit by Audit Wales**
  - **The Chair to sign the form electronically**

The meeting commenced at 10.00 am and concluded at 1.00 pm

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**CHAIRMAN**