

Public Document Pack



County Hall
Rhadyr
Usk
NP15 1GA

Wednesday, 15 November 2017

Notice of meeting

Audit Committee

Thursday, 23rd November, 2017 at 2.00 pm,
County Hall, The Rhadyr, Usk, NP15 1GA

AGENDA

Item No	Item	Pages
1.	Apologies for Absence	
2.	Declarations of Interest	
3.	Public Open Forum	
4.	To confirm minutes of the previous meeting	1 - 8
5.	To note the Action List from 19th September 2017	9 - 10
6.	CPR Exemptions 6 monthly report	11 - 20
7.	Kerbcraft - Update	21 - 28
8.	Half Yearly Treasury Compliance monitoring	29 - 44
9.	Internal Audit Progress Report 2017/18 (Quarter 2)	45 - 54
10.	Overview of Performance Management arrangements.	55 - 70
11.	Audit of MCC Assessment of 2016-17 Performance (for information and confirmation of compliance)	71 - 72
12.	Audited Trust Funds (Welsh Church Fund and Monmouthshire Farm School Endowment Trust)	73 - 104
13.	ISA 260 or equivalent for Trust Funds	
14.	Forward Work Programme	105 - 106

15.	To note the date and time of the next meeting as Thursday 11th January 2018	
16.	Treasury Management Training	107 - 140
17.	To resolve to exclude the press and public from the meeting during consideration of the following item of business in accordance with Section 100A of the Local Government Act 1972, as amended, on the grounds that it involves the information as defined in Paragraph 12 of Part 4 of Schedule 12A to the Act [Proper Officer's view attached].	141 - 144
18.	Events Follow-up Audit	145 - 150

Paul Matthews
Chief Executive

MONMOUTHSHIRE COUNTY COUNCIL
CYNGOR SIR FYNWY

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

County Councillors:

P White
L.Jones
J. Higginson
P. Clarke
A. Easson
P. Murphy
B. Strong
J.Watkins
M.Feakins
M.Lane
S. Woodhouse
V. Smith

Public Information

Access to paper copies of agendas and reports

A copy of this agenda and relevant reports can be made available to members of the public attending a meeting by requesting a copy from Democratic Services on 01633 644219. Please note that we must receive 24 hours notice prior to the meeting in order to provide you with a hard copy of this agenda.

Watch this meeting online

This meeting can be viewed online either live or following the meeting by visiting www.monmouthshire.gov.uk or by visiting our Youtube page by searching MonmouthshireCC.

Welsh Language

The Council welcomes contributions from members of the public through the medium of Welsh or English. We respectfully ask that you provide us with 5 days notice prior to the meeting should you wish to speak in Welsh so we can accommodate your needs.

Aims and Values of Monmouthshire County Council

Sustainable and Resilient Communities

Outcomes we are working towards

Nobody Is Left Behind

- Older people are able to live their good life
- People have access to appropriate and affordable housing
- People have good access and mobility

People Are Confident, Capable and Involved

- People's lives are not affected by alcohol and drug misuse
- Families are supported
- People feel safe

Our County Thrives

- Business and enterprise
- People have access to practical and flexible learning
- People protect and enhance the environment

Our priorities

- Schools
- Protection of vulnerable people
- Supporting Business and Job Creation
- Maintaining locally accessible services

Our Values

- **Openness:** we aspire to be open and honest to develop trusting relationships.
- **Fairness:** we aspire to provide fair choice, opportunities and experiences and become an organisation built on mutual respect.
- **Flexibility:** we aspire to be flexible in our thinking and action to become an effective and efficient organisation.
- **Teamwork:** we aspire to work together to share our successes and failures by building on our strengths and supporting one another to achieve our goals.

This page is intentionally left blank

Public Document Pack Agenda Item 4

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 19th September, 2017 at 2.00
pm

PRESENT: County Councillor P White (Chairman)
County Councillor J. Higginson (Vice Chairman)

County Councillors: A. Easson, B. Strong, M.Feakins and V. Smith

OFFICERS IN ATTENDANCE:

Mark Howcroft	Assistant Head of Finance
Joy Robson	Head of Finance/Section 151 Officer
Andrew Wathan	Chief Internal Auditor
Non Jenkins	Wales Audit Office
Peter Davies	Chief Officer, Resources
Tracey Harry	Head of People and Information Governance
Wendy Barnard	Democratic Services Officer
Terry Lewis	Wales Audit Office
Ann-Marie Harkin	Wales Audit Officer

APOLOGIES:

County Councillors P. Murphy, J.Watkins, M.Lane and S. Woodhouse

1. Declarations of Interest

No declarations of interest were made.

2. Public Open Forum

No members of the public were present at the meeting.

3. To confirm minutes of the previous meeting held on 6th July 2017

The minutes of the previous meeting held on 6th July 2017 were confirmed and signed by the Chairman.

4. To note the Action list from 6th July 2017

- **Youth Service - The Zone:** Confirmation was provided that there will be no clawback of the grant attached to The Zone; the asset will remain with the authority.
- **Youth Service – Business Plan:** It was explained that the business plan for the Youth Service will be part of the wider business plan on Alternative Delivery Model (ADM) that will be reported to Council in the coming months.

The Member who raised the initial question was satisfied with both responses. It was established that Cabinet would be consulted informally on the finalised business plan ahead of a Members' seminar being held and proceed to Council for decision (currently

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 19th September, 2017 at 2.00 pm

scheduled for 9th November 2017). It was noted that Audit Committee would not consider the plan.

A Member expressed the view that members had not had significant engagement on ADM and would require much more information. The Chair advised that, if Audit Committee members have concerns, they can request that the matter is raised as an item for consideration on a future agenda.

- **Events Risks:** This work is in progress and will be reported on in October. In response to a question, it was clarified that the work does not include the Velothon as the event was not identified as part of the original scope for this work 2016/17 and the expected report is the secondary follow up report. It was added that the Council is considering a report on the Velothon this week.
- **Internal Audit - Implementation of recommendations:** There was no update on the item that the Chief Officer, CYP, was to be asked to provide details of measures taken or plans to address audit opinions. A report will be provided at a future meeting.
- **Unsatisfactory audit opinions:** This will be reported in January 2018.
- **Zero hours contracts:** The information on gender was provided to Council.
- **Wellbeing of Future Generations Act /Social Services and Wellbeing Act:** The links to the Welsh Government "Essential" guides to the Acts were circulated on 21st July 2017.
- **Self Assessment of Skills for Committee Members and Treasury Training:** It was agreed that Self Assessment of Skills would be deferred to the October meeting and Treasury Training would be moved to the November meeting. The Chair asked that the form was re-circulated in the meantime.

5. Audited Statement of Accounts

The purpose of the report is to consider the annual accounts for the Authority for 2016-17, subsequent to the audit process undertaken by Wales Audit Office, appreciating Audit Committee acts as the scrutiny function for the formal Accounts process prior to endorsement or otherwise of the Statements to September full Council meeting.

The attention of the Audit Committee was drawn to the requirement to reduce the preparation time for the final statement of accounts by one month over the next four years. The authority has reduced its preparation time by three weeks already and will have to find just one week in the remaining time. The Statements in relation to the Trust Funds, will follow at a future meeting, once those audits has been completed.

This and the following item were considered together.

6. ISA260 Response to Accounts

The Wales Audit Officer (WAO) presented the ISA260 response to the Statement of Accounts noting that the results of the audit found that the format was as specified in Audit Standards and reported that the Audit was complete apart from a final review of the WAO team's work. The audit had gone exceptionally well, and it was remarked that the accounts were received 21 days ahead of the agreed deadline.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 19th September, 2017 at 2.00 pm

The intention of the Auditor General to issue an unqualified audit report was confirmed. It was explained that reasons for uncorrected misstatements were included in a letter of representation and didn't detract from the unqualified status. Some other misstatements and explanations are also included that have been adjusted by management and some rounding errors will be addressed from next year. It was suggested that it would be beneficial to utilise the CIPFA disclosure checklist.

Following presentation of the Audited Statement of Accounts and the ISA260 response, questions were invited

A Member asked if it was correct that the discounted cash flow of Morrisons lease (£1m) hadn't been accounted for or was incorrect in the accounts. In response it was explained that it was reflected in the accounts as a deferred capital receipt as WAO had suggested that, as it was to be paid over 25 years, effectively there was an implied interest rate and it was preferable that it was reflected as £3m capital receipt and £1m interest. It was added that in cash terms, the Council receives £4m with no adverse effect on the balance sheet. It was agreed that, as this will be a standing item in the accounts for 25 years, it should be amended.

The Member asked if it was a flat line figure of £160,000K per annum for 25 years and if there were any implications on external funding. It was answered that a revenue stream had been converted to use for capital purposes and Committee Members were reminded that the agreement was an upfront payment of £13.75m from Morrisons and a further £4m payable over 25 years.

Considering school budgets, WAO were asked if there was any risk in the council's position regarding school balances. It was noted that, in the previous financial year, six schools were in deficit but at the end of the year approximately twenty eight schools were estimated to be in deficit. It was highlighted that nine or ten schools had substantial surpluses.

It was clarified that the role of WAO is to evaluate the accounts to ensure that balances are reported accurately. The committee were referred to the annual governance statement and noted that periodic monitoring information is provided. The Member stated that there was an overall surplus last year but a £600,000 deficit forecast for next year, and asked for possible solutions.

The Head of Finance confirmed that Cabinet, and Children and Young People's Select Committee, have received a report regarding school balances and possible actions to improve the situation next year. The report is publicly available.

It was agreed to provide information outside of the meeting to a Member to clarify strategic risk assessment and added that the corporate strategic risk assessment is presented to Audit Committee for detailed consideration periodically.

It was agreed to endorse the Audited Statement of Accounts 2016/17 for Full Council approval and the ISA260 Response to the Accounts.

7. Internal Audit Progress Report 2017/18 Quarter 1

The Internal Audit Progress Report 2017/18 (Quarter1) was presented.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 19th September, 2017 at 2.00 pm

The team has achieved 13% of the Audit Plan which is in line with last year's performance. Audit reports have been issued to service managers in draft within 8 days and 17 days for a final report.

It was explained that in 2016/17 maintaining a full complement of staff impacted positively on performance; 75% of the plan was achieved thus providing more assurance last year. In response to a question, it was noted that special audit investigations cause additional pressure and, whilst some time is planned, they are unpredictable in terms of time and resources. In Quarter 1 the services of a former chief auditor were engaged to undertake one special investigation.

The report was noted.

8. Review of Reserves Quarter 1

The report was presented and it was explained that earmarked reserves are created for a specific purpose.

Committee Members were reminded of the financial planning assumption that levels of reserves should be between 4-6% as a contingency for unplanned events; these exclude earmarked reserves. It was explained that current levels of reserves are just over 5% noting that some other councils hold larger reserves. However, it was noted that Welsh Government issues regular advice that Councils should not hold large reserves in this period of austerity.

A Member commented that using earmarked reserves quicker than anticipated is not an issue unless they are being used for a different purpose and asked for assurance that this was not occurring. It was confirmed that this is not the case but that the purposes for some earmarked reserves are quite wide. Last year it was possible to use the £884,000 surplus to replenish some of the reserves under strain (e.g. redundancy and invest to redesign).

Regarding any budget surplus, it was queried if they are used to offset borrowing. It was confirmed that they can often be used for the Council's internal borrowing requirement before considering a loan.

A Member asked about the overall schools fund and asked if it could be used by one school to balance another school in deficit. It was explained that the collective deficit for all schools necessitated the recent report to Cabinet, but added that individual schools have no control over the combined fund.

It was questioned if this was an incentive for schools to behave in a different way but countered that school reserves should provide flexibility to absorb any future volatility and should not be used as core funding. It was agreed that settlements in the County are one of the worst in Wales.

Regarding earmarked reserves, a Member asked if there was a need to firm up arrangements that if an earmarked reserve is not used for its original purpose, it is returned to the general reserves. The Head of Finance explained that a review was carried out 12-18 months ago, when the use and application of each reserve was analysed. As a consequence processes were tightened to ensure the Council uses reserves in the most effective way and to make the necessary savings in the future.

The report was received for information.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 19th September, 2017 at 2.00 pm

9. Revised Information Strategy

The Chief Officer, Resources introduced the report to revise and update the Information Strategy. The purpose is to ensure the strategy is fit for purpose to safeguard the integrity and security of our data while taking-steps towards becoming a truly data-led organisation to drive effective decision making.

It was noted that the Information Governance Group, chaired by Senior Information Risk Owner (SIRO) Mrs. T. Harry, will oversee delivery against the strategy. The proposed strategy has a 3 year timeframe with annual reviews.

Regarding data, and data protection, it was commented that Members are required to register with the Information Commissioner's Office (ICO) and it was queried if all Members are compliant. It was agreed to report on the position at the next meeting. It was further commented that Members have been receiving subscription demands and reminders. It was queried if there was any delay in processing fee payments.

A Member asked about the management and storage of data particularly in respect of payments and future payments. In response it was explained that there are a variety of storage methods for different services including data being hosted by SRS, third party providers and The Cloud. Work is in progress to map all systems to ensure the organisation is General Data Protection Regulation (GDPR) ready.

It was further questioned if there are any residual payments to third party provider for services and confirmed that it depends on the system in question, noting that sometimes a third party provider is paid to host data as well as the application.

Regarding data protection, it was questioned if responsibility could be taken for all Members. In response, it was explained that the registration also covers Members work with constituents and has to be recorded accordingly. The registration is not just for a Member's responsibilities as a councillor requiring individual registration. It was agreed to check this point with the ICO.

A new and additional focus of the strategy was the enhancement of business insight and the ability to make maximum use of data. For example, narrative information received can be tagged and added to core themes to simplify analysis and identify patterns. Open and non-personal data held will be put on the website to enhance better public accountability and be more open to analysis by other developers and external bodies. By openly publishing location data (e.g. coordinates for council buildings), companies producing apps and websites can use the information which will add civic value at no cost.

In response to a question, it was confirmed that councils are supported by Welsh Government on open data as part of the Cardiff Capital Region City Deal to encourage easier interaction. In term of compliance, there is consistency across Wales to comply with the GDPR. The approach to using data and the digital programme is unique to Mon CC.

The Committee was satisfied that it had reviewed the Information Strategy which now proceeds to Single Cabinet Member decision.

10. Annual Improvement Report 2016-17

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 19th September, 2017 at 2.00 pm

A Wales Audit Officer noted that this item was a summary of the work of WAO and other regulators over a year, and previously supplied with responses from the Council, to provide an overall statement on how likely it is that the Council will meet its statutory requirements.

It was concluded that the opinion of WAO is that the Council is likely to meet its statutory requirements for continuous improvement provided it responds constructively and in a timely manner to statutory recommendations.

The proposals for improvement have been supplied to authority as well as a report regarding the safeguarding arrangements for the Kerbcraft scheme, a summary of work undertaken in the Council, the summary annual audit letter from last year and national reports and recommendations to local government.

It was responded that the Committee has seen the content of the report in detail individually and received information on how the Council has responded to issues. Twice a year the Committee receives a report of progress against improvement recommendations covering all of the activity in report. More audit work proceeds through 2017/18 and there will be new reports later in the year that will have responses. Such reports provide the opportunity to consider the effectiveness of arrangements for improvement.

It was confirmed that the report is published on the WAO website. The Auditor General's letter is presented to Council.

Following presentation of the report, questions were invited:

It was noted that WAO commented that the Constitution was not up to date particularly the Senior Leadership Team. Wales Audit Officers stated the expectation that the Constitution should be a live document to ensure clear accountability. On behalf of the Council, it was responded that Constitution amendments must be endorsed by County Council and it was accepted that where senior management changes have occurred, it must be kept up to date to ensure clear lines of delegation.

A Member queried progress with the three Kerbcraft scheme recommendations. It was explained that there is a sliding scale of recommendations. Statutory recommendations were issued for Kerbcraft and consequently warranted the attention of full Council. Council has considered the recommendations and consequent actions accepting that this was a very serious issue involving systems. Whereas no child was harmed the systems presented a risk to children.

The Chair asked Officers to consider reporting all such recommendations and action to Audit Committee for information, as the Kerbcraft matter had not previously been brought to Audit Committee's attention. The Committee received information that a preliminary internal review was undertaken by the service area and a secondary review by the Internal Audit Team is in progress. When concluded, recommendations will be made and actions taken accordingly. It was explained that the report wouldn't normally come to Audit Committee but to senior management. Senior management can report back to Committee to provide assurance that matters have been adequately addressed.

A Member queried if the council is confident that it can respond to all the recommendations. It was responded that everything highlighted is analysed and responses made according to availability of resources whilst prioritising front line services. It was added that Committee members have opportunity to comment on and to challenge responses, if not considered adequate.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 19th September, 2017 at 2.00 pm

A Member observed that there was no reference to single member decisions in the Constitution and requested that this point is checked. Assurance was provided that the Constitution is fit for purpose and that single member decision is implied rather than explicitly referred to. Wales Audit Officers stated that there is a variety of approaches across Wales and commented that it would be expected that there would be some reference to single member decision to clarify levels of decision - making.

It was noted that the Committee had considered the report.

11. Forward Work Programme

The Forward Work Programme was noted.

12. To note the date and time of the next meeting as Thursday 12th October 2017 at 2.00pm

The meeting ended at 3.25 pm

This page is intentionally left blank

Agenda Item 5

Audit Committee Actions 19th September 2017

Agenda Item:	Subject	Officer	Outcome
4	Risks (Events)	Andrew Wathan	Outcomes of follow-up review to be reported at October meeting
4	Implementation of Audit committee recommendations	Andrew Wathan	Chief Officer, CYP to be asked to provide details of measures taken or plans to address audit opinions – report requested
4	Unsatisfactory Audit Opinions	Andrew Wathan	Review of Historic audit opinions (past two years) – Report in January 2018
4	Self-Assessment of Skills and Treasury training	Mark Howcroft	Self-Assessment Form to be re-circulated – completed/considered in October meeting Treasury Training: November meeting
5/6	Audited statement of accounts/ISA260 Response	Mark Howcroft/Andrew Wathan	Information to clarify strategic risk assessment to be provided to CC. V. Smith
9	Revised Information Strategy	Tracey Harry	1) 19 of 43 County Councillors currently registered with ICO through local authority. There are issues with ICO updating their information and sending renewals unnecessarily so more may be registered than they have confirmed. 2) County Councillors should be registered with the ICO due to the access to information in their role. However, they only need to be registered once as an individual that could cover many roles (e.g some may already be registered through town/community councils or other positions they hold in the community).
10	Annual Improvement report	Rob Tranter	For info Wales Audit opinion that Constitution should be a live document/reference to single member decision

This page is intentionally left blank



**SUBJECT: INTERNAL AUDIT SECTION
CONTRACT PROCEDURE RULES -
EXEMPTIONS**

**DIRECTORATE: Chief Executives
MEETING: Audit Committee
DATE: 23rd November 2017
DIVISION/WARDS AFFECTED: All**

1. PURPOSE

- 1.1 To consider the adequacy and appropriateness of the exemption process from the Authority's Contract Procedure Rules since the last report in December 2016.
- 1.2 To inform the Audit Committee of the number of waivers requested by operational managers and to identify any non compliance with the process or adverse trends.

2. RECOMMENDATION(S)

- 2.1 That the Audit Committee accepts and acknowledges the justifications for the exemptions provided by operational officers.
- 2.2 If the justifications are not accepted, then consideration should be given to calling in the respective operational officer and their respective Head of Service to further account for the reasons why they could not comply with the Council's Contract Procedure Rules at the time of the procurement.
- 2.3 That the Audit Committee receive an updated report in 6 months time to include any further responses obtained by the Chief Internal Auditor.

3. KEY ISSUES

- 3.1 To ensure compliance with the Council's Contract Procedure Rules in the way goods, works and services are procured on behalf of the Authority.
- 3.2 Reassurance that the exemption process from Contract Procedure Rules is operating as intended by managers procuring goods, works or services on behalf of the Authority.

- 3.3 Some operational managers procuring goods, works and services on behalf of the Authority may not be as familiar with Contract Procedure Rules and the exemption process as they should be.

4. REASONS

- 4.1 Council approved the revised Contract Procedure Rules for Monmouthshire County Council in April 2009. This was as a result of a major update of the Council's former Contract Standing Orders which incorporated compliance with the Procurement Strategy.
- 4.2 The previous report was presented to Audit Committee in December 2016. This report covers the period November 2016 to May 2017.

5. EXEMPTIONS - Background

- 5.1 Although the Contract Procedure Rules were written to ensure a consistent and fair approach to how officers procure works, goods and services on behalf of the Council, there will be occasions where full compliance may not be appropriate. Provided there is sufficient justification and appropriate approval for not following these rules then that is permissible within the agreed policy.
- 5.2 Management need to ensure that the use of exemptions is proper and they are not being used for convenience or to avoid following CPRs. Exemptions from CPRs are therefore administered by Internal Audit, although approvals are given by Heads of Service, Chief Officers and or Cabinet Members.
- 5.3 The following table shows the requests for exemptions from CPRs since the revised CPRs were approved by Council.

Period		No' of exemption requests	Cumulative
1 st April 2009	31 st August 2010	41	41
1 st September 2010	31 st August 2011	19	60
1 st September 2011	31 st August 2012	32	92
1 st September 2012	31 st March 2013	10	102
1 st April 2013	31 st October 2013	16*	117
1 st November 2013	31 st May 2014	15	132
1 st June 2014	31 st October 2014	9	141
1 st November 2014	31 st May 2015	33	174
1 st June 2015	31 st October 2015	5	179
1 st November 2015	31 st May 2016	15	194
1 st June 2016	31 st October 2016	13	207
1 st November 2016	31 st May 2017	15	222

* (includes 111a) and 111b))

- 5.4 The majority of exemption forms have been returned to Internal Audit although there are some which are still outstanding so it is not possible to determine whether or not the correct procedures have been followed in all cases.
- 5.5 This process will only capture the exemptions which have been requested via and returned to Internal Audit.
- 5.6 The process is as follows:
- Obtain a sequentially numbered exemption form from Internal Audit
 - Record the reason for requesting the exemption on the form
 - Obtain the appropriate level of approval
 - Return the fully signed off and approved form to Internal Audit

6. EXEMPTIONS – June 2016 to October 2016 [195 - 207]

- 6.1 Of the 13 requested exemptions, 5 were not originally returned to Internal Audit. An update has previously been provided to Audit Committee.

EXEMPTIONS – November 2016 to May 2017 [208-222]

- 6.2 Of the 15 requested exemptions, 9 have not been returned to Internal Audit which means that it cannot be verified that they have been correctly authorised. This is concerning as the expected process is not being properly followed by all managers / Heads of Service.
- 6.3 All officers who request an exemption will be reminded to return the form to Internal Audit by the Chief Internal Auditor.
- 6.4 5 out of 6 returned forms had been appropriately authorised. This is reassuring in that the managers who are aware of the process are following the correct process.
- 6.5 There was some confusion over the submission of Exemption Form 217; the original request was for the procurement of staging for the Summer 2017 events, but when the form was returned to Internal Audit, authorisation had been given to manage the whole events programme. Therefore, the procurement for the staging had not been correctly authorised.
- 6.6 More recently it has also been noted that some managers are sending Exemption Forms to Internal Audit which have not been formally issued

which indicates a weakness in the control environment as the correct process is not being followed.

- 6.7 Although Heads of Service and operational managers were made aware of the revised Contract Procedure Rules at the time, the main concern is that current operational managers may be non compliant because they are not seeking the appropriate exemptions.
- 6.8 A list of all requests for CPR exemptions which have not been returned to Internal Audit will be sent to Heads of Service to chase up a return to the Chief Internal Auditor who will then verify that they have been correctly authorised. The Chief Internal Auditor will then also remind all Heads of Service of the correct procedure to follow when seeking an exemption from the Council's procurement rules.

7. RESOURCE IMPLICATIONS

None.

8. CONSULTEES

Head of Finance

Results of Consultation:

9. BACKGROUND PAPERS

Report to Council 2nd April 2009 – Contract Procedure Rules

10. AUTHOR AND CONTACT DETAILS

Andrew Wathan, Chief Internal Auditor
Telephone: x.4243
Email: andrewwathan@monmouthshire.gov.uk

AUDIT COMMITTEE NOVEMBER 2017
CONTRACT PROCEDURE RULES - EXEMPTIONS

APPENDIX 1

**Contract Procedure Rules
Exemption Forms Log**

		Period	Exemption Ref
Report 1	Jan-11	April 2009 to 31 Aug 2010	1 – 41
Report 2	Nov-12	September 2010 to August 2011	42 – 60
		September 2011 to August 2012	61 – 92
Report 3	May -13	September 2012 to March 2013	93 – 102
Report 4	December -13	April 2013 to October 2013	103 - 117
Report 5	July 2014	November 2103 to May 2014	118 - 132
Report 6	December 2014	June 2014 to October 2014	133 - 141
Report 7	July 2015	November 2014 to May 2015	142 - 174
Report 8	December 2015	June 2015 to October 2015	174 - 179
Report 9	June 2016	November 2015 to May 2016	180 - 194
Report 10	December 2016	June 2016 to October 2016	195 - 207
Report 11	November 2017	November 2016 to May 2017	208 - 222

November 2016 to May 2017 [Exemptions 208 – 222]

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date Requested	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
208	Chris Price	Extension of existing gulley emptying contract which expired 31/10/16 pending re-tender exercise. New contract expected to be in place from 1/4/17.	40,000	CEO	09/11/2016			
209	Craig Williams	To extend the current interim contract to provide service management and practice development support within Children's Services. <i>This looks as though this is a second extension of an original contract which extends for a longer period than the original contract period.</i>	65,000	SCH	10/11/2016	Y	23/11/2016	Urgent and specialised provider
210	Deb Hill-Howells	Redesign work to establish new Abergavenny Community Hub at Town Hall	99,603	ENT	17/11/2016			

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date Requested	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
211	Steve Baldwin	Parsons Brinkerhoff used as part of the Consultancy Framework Service. MCC has been using their Geotechnical services for a number of issues on the A466 and we have done various bits of investigation and repair works of which they have detailed knowledge. We have recently completed repairs near to the old Livox Quarry entrance but at some point we may require the road to be realigned and we are in the process of undertaking further investigations to allow this to be investigated.	57,000		21/11/2016			Framework now ended but require consistency of supplier for road repairs.
212	Marie Bartlett	Feasibility study for new swimming pool at Monmouth as part of Alternative Method of Delivery work	70,000	ENT	13/12/2016	Y	14/02/2017	Industry specialist - Alliance Leisure

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date Requested	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
213	Craig Williams	Link with 206: extension Specialist fostering consultant for Children's Services. The grounds for the exemption sought are in relation to The Pollen Shop being commissioned on an urgent basis as a 'specialist provider'. The Pollen Shop are being asked to provide 'urgent' additional support, to increase the pool of specialist foster carers in Monmouthshire and to ensure that the full financial and operational benefits of the project are achieved in a timely manner. over 26 weeks from 1-1-7 to 30-6-17	13,200	SCH	14/12/2016			
214	Karen Durrant							

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date Requested	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
215	Craig Williams	Further extension of agreement with Back Bone & Heart Consulting Limited to 30/9/17 for provision of interim support for Children's Services teams pending permanent managerial appointments. <i>Original agreement was covered by exemption 192 and this has previously been extended by exemption 209.</i>	62,883	SCH	20/01/2017	Y	12/05/2017	Specialist provider
216	Ian Hoccom	provision of technical and project management services for construction of a 5MV solar farm - Oak Grove Farm Crick	17,500	Resources	23/01/2017	Y	25/01/2017	specialist provider & WG Funding
217	Dan Davies	Staging for series of concerts in Caldicot Castle	36,000	ENT	tbc	N - unsigned, signed copy requested 16/3/17	09/03/2017	Specialist provider
218	Ruth Rourke	External Counters for Countryside Service	30,000	ENT	17/02/2017			

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date Requested	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
219	Paul Keeble	Extension to contract with Alan Griffiths for construction work, phase 2 of the Abergavenny Public Realm scheme	c.300k	CEO-Ops	10/03/2017			First extension of existing contract, specialist provider
220	Mike Moran	2017 Summer Holiday Playscheme	56,400	ENT	16/03/2017	Y	22/03/2017	Specialist provider
221	Roger Hoggins	Contract for cleaning of Tintern public conveniences	5,000	CEO-Ops	03/04/2017			
222	Steve Griffiths	Contract for energy efficiency surveys of houses. MCC has secured WAG grant funding to pay for this work, which must be completed by 30/6/17.	35,000	ENT	10/05/2017			



REPORT

**SUBJECT: Monitoring of the Action Plan for Safeguarding Arrangements
Kerbcraft scheme**

MEETING: Audit Committee

DATE: 23rd November 2017

DIVISION/WARDS AFFECTED: Countywide

1. PURPOSE

To provide members with a report on the implementation of the Action Plan approved by Council in March 2017 and performance measures in place.

2. RECOMMENDATIONS

- 2.1 That members note the action taken to date to implement the action plan.
- 2.2 That members note the performance measures in place and consider whether further measures are appropriate.
- 2.3 That members approve receipt of a further update report in six months time at which time members will decide what further reporting arrangements, if any, they require in the future.

3. KEY ISSUES

- 3.1 On 20th March 2017 Council received the WAO report on the Safeguarding scheme in Monmouthshire County Council and endorsed the action plan to address the findings of the WAO report.
- 3.2 on the 7th July 2017 the Cabinet received a report titled 'Update and Approval of matters arising from the Action Plan – Safeguarding arrangements – kerbcraft scheme.
- 3.3 Attached to the report to Cabinet were new procedures for the provision of kerbcraft training which were approved by Cabinet.
- 3.4 Kerbcraft training commenced in September of this year in compliance with the procedure and checklist approved by Cabinet on the 7th July 2017.
- 3.5 Officers have investigated what information is appropriate to monitor the performance of the scheme for officers of CYP and members. The kerbcraft training is funded by and provided on behalf of Welsh Government. A performance management pro forma is provided to WG on a quarterly basis (appendix 1).

- 3.6 The WG quarterly return will be collated on a six monthly basis and submitted to this committee, CYP select committee and Cabinet. The return will be supplemented by a further document indicating which schools have received training and which are scheduled to receive training along with any commentary received from schools, parents etc. relating to the kerbcraft training (appendix 2).
- 3.7 The action plan requires the Audit Committee and Cabinet to assure themselves that the performance of the scheme has improved and risks reduced. To offer members this opportunity a further report will be submitted to the audit Committee and Cabinet in six months time that provides a review of progress of implementation of the action plan.
- 3.8 The Cabinet on the 7th July 2017 amended the recommendation that the service transfer to CYP such that the service remains within the Highways section(Traffic and Road Safety unit) but that robust reporting links be created between the kerbcraft team and CYP colleagues.
- 3.9 A further report on implementation of the Action Plan will be presented to CYP Select Committee along with the performance data which will thereafter form the basis of annual performance reports to the committee (in line with the action plan).

4. REASONS

- 4.1 This report continues the implementation of the Action Plan.

5. RESOURCE IMPLICATIONS:

None arising directly from this report.

6. FUTURE GENERATIONS and EQUALITY ASSESSMENT

This report progresses the implementation of the Action Plan. A FGEA was submitted to Council on 20th March 2017 and to Cabinet on the 5th July 2017.

SAFEGUARDING ASSESSMENT:

The report provides members with an update on the implementation of the Kerbcraft Action Plan developed subsequent to WAO highlighting concerns about the adequacy of Safeguarding measures incorporated within the earlier kerbcraft scheme.

7. **CONSULTEES:** CYP officers

8. **BACKGROUND PAPERS:**
Report to Council on the 20th March 2017
Report to Cabinet on the 7th July 2017

9. **AUTHOR**

Roger Hoggins, Head of Operations

CONTACT DETAILS: rogerhoggins@monmouthshire.gov.uk

Performance Report - Financial Year 2017-2018

One form should be completed for each grant (one for Road Safety Capital; one for Road Safety Revenue and one for Safe Routes in Communities)



Llywodraeth Cymru
Welsh Government

Grant (RS Capital, RS Revenue, SRIC) This must be completed to show which grant the report relates to.	RS Revenue
------------------------------------------------------------------------------------------------------------------	-------------------

Local Authority:	Monmouthshire County Council	
Project Manager Details:	Name	Graham Kinsella
	Tel	01633 644873
	Email	grahamkinsella@monmouthshire.gov.uk
Period Covered by Report (<i>quarterly</i>)	Qrt. 2 (July - September) 2017	
Scheme Name		

Allocation 2017-18	£56,000.00
Funding Committed to Date 2017-18 (<i>eg purchase order placed, contract let</i>)	£23,537.40
Estimated value* of works delivered on scheme in current financial year: This should be value of scheme delivered in the current FY. Should include actual costs from months and assessed values in period	£23,537.40
Estimated value* delivered in current reporting period: This should be the assessed value delivered in the period of the report	£12,471.02
* 'Value' is the extent/proportion of the project/work delivered. During the period this can be based on a professional assessment, e.g. project valued at £50,000 is assessed at 75% gives a Value of £37,500	

Progress in the current reporting period including key stages/milestones achieved. Please provide sufficient information to describe progress with the scheme. Descriptions such as 'On-site', 'Progressing', are not satisfactory.	
For Road Safety Revenue please provide numbers of those who have COMPLETED training within the period	
Scheme Name	Description of progress
Kerbcraft	Training provided in numerous schools throughout the County resulting in the following training provided; Total number trained or commenced training – 224 Total number trained (Skill 1) – 224 Total number trained (Skill 2) – 0 Total number trained (Skill 3) – 200
Pass Plus	Take up training in Qrt 2 is comparable with other Authorities with 10 candidates receiving training
National Cycle Training	No training provided in Qrt2, external agencies to be bought in to run programme in Q3/Q4

Motorcycle Training	No training provided in Qrt2, promotion and bike safe to be offered in Q3 and Q4.
----------------------------	------------------------------------------------------------------------------------------

Activities planned for next reporting period including key stages/milestones to be achieved	
Scheme Name	Description of Planned Activities
Kerbcraft	Skills 2 & 3 training to be completed, new training programme to be commenced in allocated schools.
Pass Plus	Provide Pass Plus training in line with the delivery programme agreed with RCTCBC, where possible promote and encourage 100% take up of available training.
National Cycle Training	Source external agency to run programme with key schools.
Motorcycle Training	Promote Bike safe

Risk Issues (describe nature of risk, likelihood, severity, impact and mitigation measures. Specify significant risks under the relevant scheme name.)	
Kerbcraft - Green Pass Plus - Green National Cycle Training - Amber (subject to resource issues being overcome) Motorcycle Training - Amber (subject to Bike Train Wales utilising funding to deliver more training)	Overall Project / Activity Area Risk Status (R/A/G):

**** RAG (Red, Amber, Green) Status Key:**

Green	On track
Amber	Off track but progressing
Red	Serious problems to completion

To be completed by the Project Manager.

Date: 14/11/17

Completed By: Graham Kinsella

Job Title: Traffic & Road Safety Manager

Signature:

This page is intentionally left blank

Appendix 2

Kerbcraft Training Schedule	
Current Schools (Completion Nov/Dec 17)	School Feedback
ARW Castle Park Deri View Goytre Kymin View Osbaston Undy Ysgol y fin	

e & Feedback	
Parent Feedback	Forward Program (Commence Jan 18)
	Cantref Durand Llantilio Pertholey Llanvihangel OLSM Overmonnow Pembroke Usk



REPORT

SUBJECT: MID-YEAR TREASURY REPORT 2017/18

MEETING: Audit Committee

DATE: 23rd November 2017

DIVISION/WARDS AFFECTED: Whole Authority

1. PURPOSE:

- 1.1 To provide an interim mid-year update on treasury management activity for 2017/18 in accordance with the Authority's Treasury Management Strategy Statement for 17/18.

2. RECOMMENDATIONS:

- 2.1 That Members review the treasury management activities in the first half of 2017/18 using this report and discuss with Officers any changes to the process that should be considered for incorporation into the 2018/19 Treasury Management Strategy Statement.

3. KEY ISSUES:

- 3.1 Treasury Management is the management of the local authority's investments, borrowings and cash flows; its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.
- 3.2 The Treasury Management Code requires public sector authorities to determine an annual Treasury Management Strategy and, as a minimum, formally report on their treasury activities and arrangements at the mid-year point and after the year-end. These reports enable those tasked with implementing policies and undertaking transactions to demonstrate they have properly fulfilled their responsibilities, and enable those with ultimate responsibility/governance of the treasury management function to scrutinise and assess its effectiveness and compliance with policies and objectives.
- 3.3 In November 2011 CIPFA released the revised Code of Practice for Treasury Management in the Public Services and accompanying Guidance Notes and the revised Prudential Code for Capital Finance in Local Authorities. The WG has issued Guidance on Local Authority Investments for Welsh authorities. These Codes/Guidance emphasise an appropriate approach to risk management, particularly in relation to the security and liquidity of invested funds. Authorities are required to demonstrate value for

money when borrowing in advance of need and ensure the security of such funds.

- 3.4 Audit Committee is identified as being the committee responsible for reviewing reports on the treasury function, given its overarching role in assessing the risk management arrangements for the Authority.
- 3.5 Revisions to the Treasury Management code and Prudential codes are anticipated towards the end of this financial year. The main impact on the Authority is the inclusion, under the umbrella of the Code, of Investment Properties not just investments of cash. A revision to the 2018/19 Treasury Strategy may be necessary should it not incorporate all the changes required by the new Code.
- 3.6 A second Markets in Financial Instruments Directive (MiFID II) comes into force on the 3rd January 2017. The main impact for the Authority is that if we do not 'act up' from being a Retail to being a Professional client of other Financial Institutions, that we deal with, by January, we may not have access to the Financial Institutions, including our Treasury management advisors, Arlingclose, that we have now. This could limit our Treasury management options. We are currently working towards Professional status.
- 3.7 The mid-year Treasury report for 2017/18 is attached as appendix 1.

Borrowing Activity

- 3.8 At 30th September 2017 the Authority held £105.3m of loans, an increase of £16.0m from 31st March 2017. This is mainly due to the higher than normal level of spend on the 21st Century School program during those 6 months and the utilization of capital receipts and grants received before the 31st March 2017 to finance these schemes.
- 3.9 The Authority's chief objective when borrowing continues to be striking an appropriately low risk balance between securing low interest costs from short term loans and achieving cost certainty over the period for which funds are required at a higher cost. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective. The £16m of new loans since March 17 have all been short term loans so the % of variable rate loans and hence interest rate exposure has increased during the period.
- 3.10 Affordability and the "cost of carry" remained important influences on the Authority's borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing. As short-term interest rates have remained, and are likely to remain for a significant period, lower than long-term rates, the Authority determined it was more cost effective in the short-term to firstly use internal resources (internal borrowing) and secondly borrow short-term loans. However to maintain an acceptable level of certainty, it has been agreed to take out £5m of 5 to 10 year borrowing in the second half of the year.

Investment Activity

- 3.11 The Authority held £4.4m of invested funds at 31st March 2017 & £7.2m at 30th September 2017, representing income received in advance of expenditure plus balances and reserves held. Cashflow forecasts indicated that during 2017/18 the Authority's investment balances would remain at this low level.
- 3.12 The security of capital has remained the Authority's main investment objective. This has been maintained by following the Authority's counterparty policy as set out in its Treasury Management Strategy Statement for 2017/18.
- 3.13 Given the increasing risk and continued low returns from short-term unsecured bank investments, the Authority will continue to assess its level of diversification across investment counterparties and if necessary explore more secure asset classes. Currently, the majority of the Authority's surplus cash is invested in short-term unsecured bank & building society deposits including certificates of deposit, money market funds and also in WG backed deposits and in other local authorities. This level of exposure is considered satisfactory given the levels of investments we are holding.
- 3.14 The impact of the Financial Services (Banking Reform) Act 2013 is starting to be felt. By January 2019, the largest UK banks must separate core retail banking from investment banking. This ring-fencing of retail customers from 'more risky' investment activities will mean that there is a further choice of counterparties for the Authority to deal with going forward each with benefits and drawbacks. Our current account is with Barclays and they are implementing this in January 2018. Monmouthshire's bank account will be outside the ring-fenced bank which is fine. We will respond to each bank as the conditions of their split are announced and the credit worthiness of each establishment if better understood.
- 3.15 The Authority's treasury portfolio as at 30th September 2017 is illustrated in the tables 2 & 3 in Appendix 1. This shows that the Authority held £105.3m of external debt and £7.2m of investments, with a net borrowing position of £98.1m.

2017/18 Revenue performance

- 3.16 Interest payable and similar charges are expecting to under spend by £750,000, principally as a result of:
- A forecast saving of £550,000 due to total borrowing costs of MRP and interest relating to new capital schemes not having the expected impact in 2017/18 that was anticipated. The impact will emerge more slowly over a few years.
 - A forecast saving of £200,000 due to the overall level of borrowing required reducing compared to that budgeted due to slippage in the capital programme and grants being received in advance of need.

- 3.17 Investment interest is expecting to be on target.
- 3.18 Minimum Revenue Provision (MRP) is expecting an underspend of £98,000, principally as a result of:
- An underspend of £348,000 as MRP on the Solar farm, J&E block and other smaller schemes will not be required till 2018/19
 - Offset by an overspend of £250,000 as Set aside of capital receipts did not occur in 2016/17 which was intended to reduce MRP payable in 2017/18.

Prudential Indicators

- 3.19 The Authority can confirm that it has complied with its Prudential Indicators for the first half of the 2017/18 financial year.

4. REASONS:

- 4.1 The Treasury Management Strategy for the Authority has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011, which includes the requirement that members are informed of Treasury Management activities at least twice a year. This report therefore ensures this authority is embracing Best Practice in accordance with CIPFA's recommendations.

5. RESOURCE IMPLICATIONS:

- 5.1 There are no specific resource implications as a result of the recommendations in this report. The resource implications of the Treasury management strategy being implemented and the environment in which the strategy is implemented are as outlined in points 3.17 to 3.19 above and in the attached appendices.

6. CONSULTEES:

Technical performance report on matters of fact. No consultation necessary.

7. BACKGROUND PAPERS:

Appendix 1 – Mid-Year Treasury Report 2017/18

8. AUTHOR:

Lesley Russell – Senior Accountant – Treasury & Fixed Assets
Jon Davies – Central Accountancy Finance Manager

9. CONTACT DETAILS:

Tel: (01633) 644399

Email: lesleyrussell@monmouthshire.gov.uk

Tel: (01633) 644114

Email: jonathandavies2@monmouthshire.gov.uk

This page is intentionally left blank

Detailed Treasury Management Mid-Year Report 2017/18

Introduction

In March 2005, the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual reports.

The Authority's treasury management strategy for 2017/18 was approved at a meeting of the council on 9th March 2017. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

External Context

Economic backdrop: Commodity prices fluctuated over the period with oil falling below \$45 a barrel before inching back up to \$58 a barrel. UK Consumer Price Inflation (CPI) index rose with the data print for August showing CPI at 2.9%, its highest since June 2013 as the fall in the value of sterling following the June 2016 referendum result continued to feed through into higher import prices. The new inflation measure CPIH, which includes owner occupiers' housing costs, was at 2.7%.

The unemployment rate fell to 4.3%, its lowest since May 1975, but the squeeze on consumers intensified as average earnings grew at 2.5%, below the rate of inflation. Economic activity expanded at a much slower pace as evidenced by Q1 and Q2 GDP growth of 0.2% and 0.3% respectively. With the dominant services sector accounting for 79% of GDP, the strength of consumer spending remains vital to growth, but with household savings falling and real wage growth negative, there are concerns that these will be a constraint on economic activity in the second half of calendar 2017.

The Bank of England made no change to monetary policy at its meetings in the first half of the financial year. The vote to keep Bank Rate at 0.25% narrowed to 5-3 in June highlighting that some MPC members were more concerned about rising inflation than the risks to growth. Although at September's meeting the Committee voted 7-2 in favour of keeping Bank Rate unchanged, the MPC changed their rhetoric, implying a rise in Bank Rate in "the coming months". The Council's treasury advisor Arlingclose is not convinced the UK's economic outlook justifies such a move at this stage, but the Bank's interpretation of the data seems to have shifted. By the time you read this report the November Committee will have met and may have increased rates.

In contrast, near-term global growth prospects improved. The US Federal Reserve increased its target range of official interest rates in June for the second time in 2017 by 25bps (basis points) to between 1% and 1.25% and, despite US inflation hitting a soft patch with core CPI at 1.7%, a further similar increase is expected in its December 2017 meeting. The Fed also confirmed that it would be starting a reversal of its vast Quantitative Easing programme and reduce the \$4.2

trillion of bonds it acquired by initially cutting the amount it reinvests by \$10bn a month.

Geopolitical tensions escalated in August as the US and North Korea exchanged escalating verbal threats over reports about enhancements in North Korea's missile programme. The provocation from both sides helped wipe off nearly \$1 trillion from global equity markets but benefited safe-haven assets such as gold, the US dollar and the Japanese yen. Tensions remained high, with North Korea's threat to fire missiles towards the US naval base in Guam, its recent missile tests over Japan and a further testing of its latent nuclear capabilities.

Prime Minister Theresa May called an unscheduled General Election in June, to resolve uncertainty but the surprise result has led to a minority Conservative government in coalition with the Democratic Unionist Party. This clearly results in an enhanced level of political uncertainty. Although the potential for a so-called hard Brexit is diminished, lack of clarity over future trading partnerships, in particular future customs agreements with the rest of the EU block, is denting business sentiment and investment. The reaction from the markets on the UK election's outcome was fairly muted, business confidence now hinges on the progress (or not) of Brexit negotiations, the ultimate 'divorce bill' for the exit and whether new trade treaties and customs arrangements are successfully concluded to the UK's benefit.

In the face of a struggling economy and Brexit-related uncertainty, Arlingclose expects the Bank of England to take only a very measured approach to any increase in interest rates. Any increase will be gradual and limited as the interest rate backdrop will have to provide substantial support to the UK economy through the Brexit transition.

Financial markets: Gilt yields displayed significant volatility over the six-month period with the appearing change in sentiment in the Bank of England's outlook for interest rates, the push-pull from expectations of tapering of Quantitative Easing (QE) in the US and Europe and from geopolitical tensions, which also had an impact. The yield on the 5-year gilts fell to 0.35% in mid-June, but then rose to 0.80% by the end of September. The 10-year gilts similarly rose from their lows of 0.93% to 1.38% at the end of the quarter, and those on 20-year gilts from 1.62% to 1.94%.

The FTSE 100 nevertheless powered away reaching a record high of 7548 in May but dropped back to 7377 at the end of September. Money markets rates have remained low: 1-month, 3-month and 12-month LIBID rates have averaged 0.25%, 0.30% and 0.65% over the period from January to 21st September.

Credit background: UK bank credit default swaps continued their downward trend, reaching three-year lows by the end of June. Bank share prices have not moved in any particular pattern.

There were a few credit rating changes during the quarter. The significant change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities. Moody's downgraded Standard Chartered Bank's long-term rating to A1 from Aa3 on the expectation that the bank's profitability will be lower following management's efforts to de-risk their balance sheet. The agency also affirmed Royal Bank of Scotland's and NatWest's long-term ratings at Baa1, placed Lloyds Bank's A1 rating on review for upgrade, revised the outlook of Santander UK plc, and Nationwide and Coventry building societies from negative to stable but downgraded the long-term rating of Leeds BS from A2 to A3. The agency downgraded long-term ratings of the major Canadian banks on the expectation of a more challenging operating environment and the ratings of the large Australian banks on its view of the rising risks from their exposure to the Australian housing market and the elevated proportion of lending to residential property investors.

S&P also revised Nordea Bank's outlook to stable from negative, whilst affirming their long-term rating at AA-. The agency also upgraded the long-term rating of ING Bank from A to A+.

Ring-fencing, which requires the larger UK banks to separate their core retail banking activity from the rest of their business, is expected to be implemented within the next year. In May, following Arlingclose's advice, the Authority reduced the maximum duration of unsecured investments with Bank of Scotland, HSBC Bank and Lloyds Bank from 13 months to 6 months as until banks' new structures are finally determined and published, the different credit risks of the 'retail' and 'investment' banks cannot be known for certain.

The new EU regulations for Money Market Funds were finally approved and published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility NAV (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. MMFs will not be prohibited from having an external fund rating (as had been suggested in draft regulations). Arlingclose expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund.

Regulatory Updates

MiFID II: Local authorities are currently treated by regulated financial services firms as professional clients who can "opt down" to be treated as retail clients instead. But from 3rd January 2018, as a result of the second Markets in Financial Instruments Directive (MiFID II), local authorities will be treated as retail clients who can "opt up" to be professional clients, providing that they meet certain criteria. Regulated financial services firms include banks, brokers, advisers, fund managers and custodians, but only where they are selling, arranging, advising or managing designated investments. In order to opt up to professional, the authority must have an investment balance of at least £10 million and the person authorised to make investment decisions on behalf of the authority must have at least one year's relevant professional experience. In addition, the firm must assess that that person has the expertise, experience and knowledge to make investment decisions and understand the risks involved.

The main additional protection for retail clients is a duty on the firm to ensure that the investment is "suitable" for the client. However, local authorities are not protected by the Financial Services Compensation Scheme nor are they eligible to complain to the Financial Ombudsman Service whether they are retail or professional clients. It is also likely that retail clients will face an increased cost and potentially restricted access to certain products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice. The Authority has declined to opt down to retail client status in the past as the costs were thought to outweigh the benefits.

The Authority has not held a balance of £10 million in investments continuously for the last 12 months. It has held an average of £11.8m and a range from £1 million to £31 million. The lower levels result from our policy to maximise internal borrowing and the cyclical nature of cash-flows. The Authority is currently working towards a position where it carries a minimum of £10 million in investments for the majority of the year from 3rd January 2018 in order to meet all the conditions to opt up to professional status to maintain our current MiFID status. A decision not to do so could restrict our access not only to certain investment and loan products but also to a Treasury Management advisor at an affordable cost.

CIPFA Consultation on Prudential and Treasury Management Codes: In February 2017 CIPFA canvassed views on the relevance, adoption and practical application of the Treasury

Management and Prudential Codes and after reviewing responses launched a further consultation on changes to the codes in August with a deadline for responses of 30th September 2017.

The proposed changes to the Prudential Code include the production of a new high-level Capital Strategy report to full council which will cover the basics of the capital programme and treasury management. The prudential indicators for capital expenditure and the authorised borrowing limit would be included in this report but other indicators may be delegated to another committee. There are plans to drop certain prudential indicators, however local indicators are recommended for ring fenced funds (including the HRA) and for group accounts. Other proposed changes include applying the principles of the Code to subsidiaries.

Proposed changes to the Treasury Management Code include the potential for non-treasury investments such as commercial investments in properties to be included in the definition of “investments” as well as loans made or shares brought for service purposes. Another proposed change is the inclusion of financial guarantees as instruments requiring risk management to be addressed within the Treasury Management Strategy. Approval of the technical detail of the Treasury Management Strategy may be delegated to a committee rather than needing approval of full Council. There are also plans to drop or alter some of the current treasury management indicators.

CIPFA intends to publish the two revised Codes towards the end of 2017 for implementation in 2018/19, although CIPFA plans to put transitional arrangements in place for reports that are required to be approved before the start of the 2018/19 financial year. The Department of Communities and Local Government (DCLG) and CIPFA wish to have a more rigorous framework in place for the treatment of commercial investments as soon as is practical. It is understood that DCLG will be revising its Investment Guidance (and its MRP guidance) for local authorities in England; however there have been no discussions with the devolved administrations including Wales yet.

Local Context

On 31st March 2017, the Authority had net borrowing of £84.9m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in table 1 below.

Table 1: Balance Sheet Summary

	31.3.17 Actual £m
Total CFR	134.6
Less: Other debt liabilities *	(1.9)
Borrowing CFR	132.7
Less: Usable reserves	(35.0)
Less: Working capital	(12.8)
Net borrowing	84.9

* finance leases, PFI liabilities and transferred debt that form part of the Authority’s total debt

The Authority’s current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs

low. The treasury management position as at 30th September 2017 and the change over the period is show in table 2 below.

Table 2: Treasury Management Summary

	31.3.17 Balance £m	Movement £m	30.9.17 Balance £m	30.9.17 Rate %
Long-term borrowing	70.3	0.0	70.3	3.9%
Short-term borrowing	19.0	16.0	35.0	0.5%
Total borrowing	89.3	16.0	105.3	
Long-term investments	0.0	0.0	0.0	NA
Short-term investments including overnight	4.4	2.8	7.2	0.2%
Total investments	4.4	2.8	7.2	
Net borrowing	84.9	13.2	98.1	

Borrowing Strategy during the half year

At 30/9/2017 the Authority held £105.3m of loans, (an increase of £16.0m from 31/3/2017), as part of its strategy for funding current and previous years' capital programmes. The 30th September 2017 borrowing position is show in table 3 below.

Table 3: Borrowing Position

	31.3.17 Balance £m	Movement £m	30.9.17 Balance £m	30.9.17 Weighted average maturity years
Public Works Loan Board	51.7	0.0	51.7	
Banks (LOBO)	13.6	0.0	13.6	3.9%
WG Loans	5.0	0.0	5.0	
Local authorities	19.0	16.0	35.0	0.5%
Total borrowing	89.3	16.0	105.3	2.8%

The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

In furtherance of these objectives, for the first half of the year, external borrowing was only taken out when cash levels fell below a manageable level on a day to day basis. When cash was too low, external borrowing was sourced via brokers from other Local Authorities and other similar institutions for a range of maturities from 10 to 365 days. Existing long term loans were allowed to mature without replacement. This strategy enabled the Authority to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

The "cost of carry" analysis performed by the Authority's treasury management advisor Arlingclose did not indicate any value in borrowing in advance for future years' planned expenditure and therefore none was taken.

The Authority continues to hold £13.6m of LOBO (Lender’s Option Borrower’s Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the first half of 2017/18.

Other Debt Activity

Total debt other than borrowing stood at £1.9m on 30th September 2017, taking total gross debt to £107.2m. The most significant elements are the outstanding balances on the Monnow Vale PFI scheme (£0.8m) and Welsh Government Funds held by Monmouthshire CC pending lending onto external parties (£0.7m).

Investment Activity

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the first half of 2017/18 the Authority’s investment balance ranged between £3 million and £20 million due to timing differences between income and expenditure. The investment position during the half year is shown in table 4 below.

Table 4: Investment Position

	31.3.17 Balance £m	Movement £m	30.9.17 Balance £m	30.9.17 Weighted average rate %	30.9.17 Weighted average maturity
Banks & building societies (unsecured)	1.0	0.1	1.1	0.26%	1 day
Government (incl. local authorities)	3.4	2.4	5.8	0.10%	1 day
Money Market Funds	0.0	0.3	0.3	0.16%	1 day
Total investments	4.4	2.8	7.2	0.2%	

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Maximisation of internal borrowing means that only low levels of cash have been available for investment. The cash is mainly held to cover expenditure within the next month so the cash is held very short often in overnight investments. To ensure security and liquidity we have been mainly using strong counterparties such as Barclays, Santander and UK Government and also Money market funds which are diversified and therefore lower risk. The low yields are offset by the savings from the cost of carry.

The progression of risk and return metrics are shown in the extracts from Arlingclose’s quarterly investment benchmarking in table 5 below. Some Authorities are getting higher returns but that is often due to their higher levels of cash to invest for longer.

Table 5: Arlingclose Investment Benchmarking

	Value Weighted Credit Score	Value Weighted Credit Rating	Bail-in Exposure	WAM* (days)	Rate of Return
31.03.2017	3.43	AA	23%	3	0.11%
30.06.2017	4.95	A+	100%	1	0.25%
30.09.2017	3.72	AA-	32%	2	0.14%
Similar LAs	4.45	AA-	59%	96	0.29%
All LAs	4.44	AA-	64%	40	1.12%

*Weighted average maturity

Other Investment Activity

Although not currently classed as treasury management activities and therefore not covered by the CIPFA Code, the Authority also held £46.3m of investments in directly owned properties at the 30th September 2017. This represents an increase of £4.4m from the 31st March 2017 due to our Solar Farm, a 'Land & Buildings' asset becoming operational.

The long held Investment properties generated investment income for the Authority after taking account of direct costs of approximately 1% of asset values. The Solar Farm is expected to return considerably more than this, much higher than the return earned on treasury investments, but reflects the additional risks to the Authority of holding such an investment.

If CIPFA's proposed amendments to the Treasury Management Code are adopted in the revised Code from 2018/19, these will henceforth be included in the expanded definition of "investments".

Performance Report

The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and also its relationship to benchmark interest rates

The Authority held £7.4m of investments at the 30th September 2017. So far this year, these have earned £10,000 of income an average of 0.2% return on investments. This compares favourably with the budget of £8,500 based on an average of £6m of investments earning 0.15%.

If we increase our investment levels to meet the minimum investment levels required by MiFID II, as discussed above then this return could increase by 31st March 2018 but at the cost of additional borrowing. This has not been assumed here.

The Authority's budget for external debt interest was set at £3.1m with an additional £0.55m to cover the borrowing costs for other anticipated capital expenditure. The current forecast for external debt interest for 2017/18 is £2.9m against the budget of £3.1m. The average level of short term and new debt during 2017/18 at budget setting was £39.5m. The forecast average at this point is £34.5m resulting in the £0.2m saving against the main external debt budget. Only limited borrowing has occurred as a result of the other anticipated capital expenditure to date so this budget will also mainly be a saving in 2017/18. The largest variable remains the Future schools programme. These costs will arise in later years, but currently a forecast saving of £0.75m on external debt has been presumed.

Compliance Report

On the 18th April 2017, the balance held in Barclays, the Authority's current account overnight was £7.1m. This exceeds the amount allowed in the Treasury Strategy of £1.0m of total positive balances. The reason was that this was a Council tax & NNDR payment date but a non-working day for the Authority. This was known about in advance but due to the strong state of Barclays bank at that time, this was considered to be an acceptable risk. Other than that, the Head of Finance (S151 Officer) is pleased to report that all treasury management activities undertaken during the first half of 2017/18 complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

Table 6: Investment Limits per Counterparty

	H1 Maximum £m	30.9.17 Actual £m	2017/18 Limit £m	Complied
Unsecured Investments in institutions with lowest credit rating of A- OR groups of institutions under the same management, except UK Government	2.0	0.85	2.0	✓
Secured Investments as above	0.0	0.0	4.0	✓
Money Market Funds	2.0	0.2	2 and 10%	✓
Local Authorities	0.0	0.0	2 or 10%	
Investments held in a broker's nominee account	0.0	0.0	10 or 50%	✓
Foreign countries	0.0	0.0	4.0	✓
Registered Providers	0.0	0.0	2.0	✓
Non-specified investments	0.0	0.0	10.0	✓
Any other limits specified in the 2017/18 Treasury Strategy				✓

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 8 below.

Table 7: Debt Limits

	H1 Maximum £m	30.9.17 Actual £m	2017/18 Operational Boundary £m	2017/18 Authorised Limit £m	Complied
Borrowing	105.3	105.3	127.2	147.4	✓
PFI & finance leases	1.9	1.9	1.2	2.7	✓ #
Total debt	107.2	107.2	128.4	150.1	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	30.9.17 Actual	2017/18 Target	Complied
Portfolio average credit rating	AA-	A-	✓

Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk. Where cash is forecast to drop below £2m in the following 5 working days, additional short term borrowing should be taken out. Where cash falls below £1m this should be reported to the S151 officer or deputy. In the first 6 months of this year the overnight cash deposits did not fall below £2 million.

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. These are the upper limits on fixed and variable interest rate exposures, expressed as the amount of principal borrowed less the principal Invested:

	30.9.17 Actual	2017/18 Upper Limit	Complied
Fixed interest rate exposure	£51.8m	£100m	✓
Variable interest rate exposure	£41.3m	£58m	✓

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing for 2017/18 were:

	30.9.17 Actual % - £m	Upper Limit %	Lower Limit %	Complied
Under 12 months - LOBO's	28% £14m	50	0	✓
Under 12 months - Other	1% £0.5m			
12 months and within 24 months	3% £2m	25	0	✓
24 months and within 5 years	3% £2m	45	0	✓

5 years and within 10 years	21% £10m	30	0	✓
10 years and above	44% £21m	100	0	✓
Total	100% £48m			

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2017/18
Actual principal invested beyond year end	£0.0m
Limit on principal invested beyond year end	£5.0m
Complied	✓

Outlook for the remainder of 2017/18

The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Both consumer and business confidence remain subdued. Household consumption growth, the driver of UK GDP growth, has softened following a contraction in real wages. Savings rates are at an all-time low and real earnings growth (i.e after inflation) struggles in the face of higher inflation.

The Bank of England's Monetary Policy Committee has changed its rhetoric, implying a rise in Bank Rate in "the coming months". Arlingclose is not convinced the UK's economic outlook justifies such a move at this stage, but the Bank's interpretation of the data seems to have shifted.

This decision is still very data dependant and Arlingclose is, for now, maintaining its central case for Bank Rate at 0.25% whilst introducing near-term upside risks to the forecast as shown below. Arlingclose's central case is for gilt yields to remain broadly stable across the medium term, but there may be near term volatility due to shifts in interest rate expectations.

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Official Bank Rate													
Upside risk	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Downside risk	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25



**SUBJECT: INTERNAL AUDIT SECTION
PROGRESS REPORT 6 Months into 2017/18**

DIRECTORATE: Resources
MEETING: Audit Committee
DATE: 23rd November 2017
DIVISION/WARDS AFFECTED: All

1. PURPOSE

To consider the adequacy of the internal control environment within the Council based on the outcomes of audit reviews and subsequent opinions issued to the 30th September 2017.

To consider the performance of the Internal Audit Section over the first 6 months of the current financial year.

2. RECOMMENDATION(S)

That the Committee note the audit opinions issued.

That the Committee note the progress made by the Section towards meeting the 2017/18 Operational Audit Plan and the Section's performance indicators at the six months stage of the financial year.

3. KEY ISSUES

3.1 The Section has started to undertake its programme of audits in accordance with the 2017/18 Operational Audit Plan.

3.2 This report gives brief details of the work undertaken in the year to date. The report also gives details of the Section's performance indicators for the 6 months to 30th September 2017.

3.3 The Public Sector Internal Audit Standards came into force in April 2013 which the Internal Audit team needs to demonstrate it is compliant with; these replaced the former Code of Practice for Internal Audit within Local Government. The new standards have been reported to the Audit Committee separately.

3.4 A requirement of the PSIAS is for the Internal Audit team to be externally assessed once every five years to ensure compliance with these Standards. The Welsh Chief Auditors' Group proposed an option

of a peer review in order to meet the requirements of this external assessment, which has been agreed by respective S 151 Officers of local authorities in Wales. Monmouthshire's peer review will take place during 2017/18.

- 3.5 The 2017/18 Draft Audit Plan was agreed by the Audit Committee on 16th March 2017; final approved on 6th July 2017.

4. REASONS

- 4.1 Since the start of the financial year, the Internal Audit Section has completed 22 audit jobs from its 2017/18 Operational Audit Plan, with 2 being opinion related; these are listed in the table shown in Appendix 1.
- 4.2 In relation to the normal audit opinion related reports, 2 have been issued by the end of the 2nd Quarter. Chepstow School was given a *Considerable* assurance opinion; the Borough Theatre was given a *Limited* assurance opinion. One report related to the annual governance statement where no opinion was given, but this forms part of the Council's annual financial statements and financial advice was given in several areas. The team were involved with auditing grant claims which they have certified as either *qualified* or *unqualified*.
- 4.3 The definitions of the four internal audit opinions and the finding ratings used by the Section are provided at Appendix 2 for Members' information.
- 4.4 Finalisation work from 2016/17 continues; of the 19 reviews at draft report stage at 31 March 2017, 6 have subsequently been finalised; 1 x Substantial opinion, 3 x Considerable opinion, 1x Reasonable opinion, 1 x no opinion.
- 4.5 Audit management have also been involved with 4 special investigations to date this year, some of which have continued from 2016/17; these are often very sensitive and time consuming. Work has been undertaken on 1 unplanned area, providing additional advice and support for service managers.
- 4.6 Appendix 3 of the report gives details of the Section's performance indicators as at 30th September 2017.
- 4.7 Although only 8 audit reviews have been finalised, the acceptance of audit recommendations was good at 99%. Evaluation questionnaires have only been returned from one operational manager the data is not representative in terms of how satisfied they were with the audit service they had received.
- 4.8 Draft reports have taken 21 days to issue following receipt of management comments. It has taken 16 days to issue final reports.

- 4.9 Getting audit reports out to service managers are key indicators. The audit management will endeavour to continue to turnaround the work within the target time set for draft and final reports.
- 4.10 The percentage coverage of the audit plan at 23% (33% 2016/17) is lower than the same period of the previous year and below the profiled target of 30% at this stage of the financial year. Management will keep this indicator under careful review for the rest of the year to ensure that the audit coverage by the year end is as comprehensive as possible. The operational plan will be re-prioritised to ensure the higher risk areas are covered by the year end if resources become an issue again.
- 4.11 The team started the year with a full complement of staff in the team.
- 4.12 In Quarter 1 the team get involved with the verification and validation of the Council's annual performance indicators before they are submitted to Welsh Government. This is often a time consuming exercise with tight timescales. The team are also involved with the administration of the National Fraud Initiative (NFI) data sets on behalf of the Council.

5. SERVICE MANAGEMENT RESPONSIBILITIES

- 5.1 Heads of Service and service managers are responsible for addressing any weaknesses identified in internal systems and demonstrate this by including their management responses within the audit reports. When management agree the audit action plans they are accepting responsibility for addressing the issues identified within the agreed timescales.
- 5.2 Ultimately, managers within MCC are responsible for maintaining adequate internal controls within the systems they operate and for ensuring compliance with Council policies and procedures. All reports, once finalised, are sent to the respective Heads of Service for information and appropriate action where necessary.

6. FOLLOW UP AUDIT REVIEWS

- 6.1 Where 'Limited Assurance' opinions are issued, they are followed up within a twelve month timescale to ensure that the agreed actions have been taken by management and that the internal control systems are improved. These will be reported separately to the Audit Committee.

7. RESOURCE IMPLICATIONS

None.

8. CONSULTEES

Head of Finance

Results of Consultation:

N/A

9. BACKGROUND PAPERS

Operational Audit Plan 2017/18

10. AUTHORS AND CONTACT DETAILS

Andrew Wathan, Chief Internal Auditor

Telephone: x.4243

Email: andrewwathan@monmouthshire.gov.uk

David Walton, Audit Manager

Telephone: x.4258

Email: davewalton@monmouthshire.gov.uk

AUDIT COMMITTEE NOVEMBER 2017

INTERNAL AUDIT SECTION PROGRESS REPORT 2017/18 – 6 MONTHS

APPENDIX 1

Internal Audit reviews from the 2017/18 Operational Audit Plan where fieldwork has been completed and/or final reports issued since 1/4/17 are listed in the table below.

Internal Control Opinions give the auditor's overall conclusion on the control environment operating in each system/establishment under review. Opinions range from Substantial Assurance through to Limited Assurance.

Draft issued indicates that a draft report has been issued and a response is awaited from the client before the report can be finalised.

Status of reports as at 30 September 2017

Internal Audit Services - Management Information for 2017/18 – Quarter 2

Job number	Directorate	Service	Job Name	Risk Rating / Priority	Opinion given
P1718/33	Children & Young People	Schools	Chepstow School	High	Considerable
P1718/04	Enterprise	Tourism, Leisure & Culture	Borough Theatre Trust	High	Limited
P1718/21	Children & Young People	Achievement & Extended Services	Education Improvement Grant	Medium	Qualified
P1718/22	Children & Young People	Achievement & Extended Services	Pupil Deprivation Grant	Low	Qualified
P1718/01	Enterprise	Economy and Enterprise	Agri-Urban URBACT Scheme June 2017	Low	Unqualified
P1718/23	Children & Young People	Achievement & Extended Services	Outside School Childcare Grant	Low	Unqualified
P1718/38	Children & Young People	CYP Resources	School Uniform Grant	Low	Unqualified

Non – opinion / Added Value Audit Work

Job number	Directorate	Service	Job Name	Opinion given
P1718/03	Enterprise	Economy and Enterprise	Audit Advice	Not applicable
P1718/10	Enterprise	Tourism, Leisure & Culture	Audit Advice	Not applicable
P1718/37	Children & Young People	Schools	Audit Advice	Not applicable
P1718/40	Children & Young People	CYP Resources	Audit Advice	Not applicable
P1718/43	Operations	SWTRA & Street Lighting	SWTRA Agreement	Not applicable
P1718/51	Operations	Property Services & Facilities	Audit Advice	Not applicable
P1718/53	Operations	Waste and Street Operations	Audit Advice	Not applicable
P1718/61	Resources	People & Information Governance	Audit Advice	Not applicable
P1718/72	Resources	Finance	Audit Advice	Not applicable
P1718/75	Resources	Community-led Delivery	Audit Advice	Not applicable
P1718/79	Social Care & Health	Integrated Services	Audit Advice	Not applicable
P1718/81	Social Care & Health	Children's Services	Audit Advice	Not applicable
P1718/85	Social Care & Health	Social Care & Health Finance Unit	Audit Advice	Not applicable
P1718/87	Corporate	Cross Cutting	Annual Governance Statement	Not applicable
P1718/95	Corporate	Cross Cutting	Future Monmouthshire Audit Advice	Not applicable

Internal Audit Opinions

Each report contains an opinion which is an overall assessment of the control environment reviewed. Opinions were revised during 2015/16 to reflect a better understanding of the level of assurance given. The full list of audit opinions to be used from 2016/17 onwards is shown below:

SUBSTANTIAL	Substantial level of assurance. Very well controlled, with numerous strengths identified and any risks being less significant in nature.
CONSIDERABLE	Considerable level of assurance Generally well controlled, although some risks identified which should be addressed.
REASONABLE	Reasonable level of assurance. Adequately controlled, although risks identified which could compromise the overall control environment. Improvements required.
LIMITED	Limited level of assurance. Poorly controlled, with unacceptable levels of risk. Fundamental improvements required urgently.

The table below summarises the finding ratings used during our audits:

RATING	RISK DESCRIPTION	IMPACT
1	Significant	(Significant) – Major / unacceptable risk identified. Risks exist which could impact on the key business objectives. Immediate action required to address risks.
2	Moderate	(Important) – Risk identified that requires attention. Risks identified which are not business critical but which require management attention as soon as possible.
3	Minor	(Minimal) – Low risk partially mitigated but should still be addressed. Audit comments highlight a suggestion or idea that management may want to consider.
4	Strength	(No risk) – Good operational practices confirmed. Well controlled processes delivering a sound internal control framework.

For grant claim audits:

Unqualified opinion - the terms and conditions of the grant were generally complied with;

Qualified opinion - the terms and conditions of the grant were not fully complied with; the identified breaches of terms and conditions will be reported to the grantor and internally to relevant Head of Service/Chief Officer.

AUDIT COMMITTEE NOVEMBER 2017

**INTERNAL AUDIT SECTION PROGRESS REPORT
2017/18 – 6 MONTHS**

APPENDIX 3

Performance Indicators

	2016/17	Q1	Q2	Q3	Q4	Target
1	Percentage of planned audits completed	13%	33%	42%	75%	(80% pa)
2	Percentage of audits completed within planned time	0%	56%	40%	55%	60%
3	Average no. of days from audit closing meeting to issue of a draft report	3 days	30 days	39 days	22 days	12 days
4	Average no. of days from receipt of response to draft report to issue of the final report	12 days	30 days	20 days	11 days	5 days
5	Percentage of recommendations made that were accepted by the clients	100%	98%	98%	98%	90%
6	Percentage of clients at least 'satisfied' by audit process	N/A	100%	100%	100%	90%
7	Percentage of directly chargeable time (actual v planned)	102%	103%	102%	107%	100%
8	Number of special investigations	2	4	5	6	

	2017/18	Q1	Q2	Q3	Q4	Target
1	Percentage of planned audits completed	13%	23%			30% (80% pa)
2	Percentage of audits completed within planned time	0%	0%			60%
3	Average no. of days from audit closing meeting to issue of a draft report	8 days	21 days			12 days
4	Average no. of days from receipt of response to draft report to issue of the final report	17 days	16 days			5 days
5	Percentage of recommendations made that were accepted by the clients	98%	99%			90%
6	Percentage of clients at least 'satisfied' by audit process	100%	100%			90%
7	Percentage of directly chargeable time (actual v planned)	102%	108%			100%
8	Number of special investigations	4	4			

N /A – not available

This page is intentionally left blank

SUBJECT: Overview of Performance Management Arrangements
MEETING: Audit Committee
DATE: 23rd November 2017
DIVISIONS/WARDS AFFECTED: All

1 PURPOSE

- 1.1 To ensure that members understand the Council's performance framework
- 1.2 To present an update on the effectiveness of the authority's performance management arrangements.

2 RECOMMENDATIONS:

- 2.1 Members familiarise themselves with the council's performance framework to ensure that they understand the parts of the system that must work together to deliver improvement.
- 2.2 That members use the update provided to seek assurance on the operation of the authority's performance management arrangements and identify any areas where they feel action needs to be taken or further information provided.

3. KEY ISSUES:

- 3.1 Performance Management is about establishing a shared understanding of what needs to be achieved and making sure that it happens. The council currently has an established performance framework, this is the way in which we translate our purpose - building sustainable and resilient communities - into action and ensure that everyone is pulling in the same direction to deliver real and tangible outcomes. This is shown at appendix 2. Further information on the council's performance framework is available on The Hub.
- 3.2 Our performance framework:
 - Translates our purpose into a series of well-being objectives that are our focus for improving well-being in the county.
 - Places an expectation on teams to translate these into specific, measurable actions in their service plans.
 - Contains a broad range of data to monitor impact and measure the performance of services.
 - Requires employees to receive regular appraisal to demonstrate how they are contributing to the objectives
 - There are some other key processes that are part of and/or facilitate aspects of the framework, including the Whole Authority Strategic Risk Assessment and self-evaluation arrangements.
- 3.3 Over the coming years the shape of public services in Wales is likely to change significantly influenced by two very significant pieces of Welsh legislation, The Well-being of Future Generations Act and The Social Services and Well-being Act, as well as financial pressures, demographic changes, changes in customer needs and expectations and regulatory and policy changes. Services need to continue to think more about the long-term, work better with people and communities, look to prevent problems before they arise and take a more joined-up approach.

- 3.4 The Council's performance framework will need to continue to evolve to reflect this. A recent revision has been the requirement to produce the council's well-being objectives and statement as required by the Future Generations Act. This is available on www.monmouthshire.gov.uk/improvement. The development of a Corporate Plan and subsequent supporting strategies as agreed by Cabinet in October will also be reflected in the framework.
- 3.5 Appendix 1 provides an appraisal of the arrangements that make up the framework to ensure that Audit Committee are able to take an overview of their effectiveness. Each arrangement has been scored based on the Council's Self-evaluation framework, Level 6 Excellent, Level 5 Very Good, Level 4 Good, Level 3 Adequate, Level 2 Weak, and Level 1 Unsatisfactory. The committee last received an update on performance management arrangements in December 2016.
- 3.6 We also place reliance on regulatory assessments as a vital part of our framework. In particular these are: the Wales Audit Office (WAO) who examine the authority's corporate arrangements; Estyn in relation to education provision and the Care and Social Services Inspectorate for Wales in relation to social services. Where applicable the most recent findings of regulatory work have been factored into the appraisal of arrangements.
- 3.7 Audit Committee receive relevant reports produced by our regulators throughout the year, which include any further areas of the council's arrangements where it is considered the authority needs to take action in response. The reports relevant to the WAO performance audit work programme are consolidated within the Proposal for Improvement updates provided to the committee.
- 3.8 As part of the framework for the development of a Corporate Plan and enabling strategies agreed by Cabinet in October 2017, Cabinet agreed an annual report on the continued effectiveness of the council's strategic planning framework, ensuring the necessary checks and balances are in place around monitoring, evaluation, decision-making and policy-making will be prepared and received by Audit Committee.

4. RESOURCE IMPLICATIONS

- 4.1 There are no additional resource implications as a result of this report. However, there may be resource implications in undertaking further actions as directed by Senior Leadership Team or as recommended by the Audit Committee.

5. AUTHORS:

Richard Jones, Policy and Performance Officer

6. CONTACT DETAILS:

e-mail: richardjones@monmouthshire.gov.uk

Telephone: 01633 740733/ Mobile: 078 2355 3480

Appendix 1 - appraisal of performance management arrangements

	Improvement Plan
Purpose:	<p>The Council has a responsibility under the Well-being of Future Generations (Wales) Act 2015 to set well-being objectives. To achieve this we must:</p> <ul style="list-style-type: none"> • Set and publish well-being objectives by 31st March 2017 • Take all reasonable steps to meet those objectives • Publish a statement about well-being objectives • Detail arrangements to publish an annual report of progress <p>The Council is still required under the Local Government (Wales) Measure 2009 to set annual Improvement Objectives and produce an Improvement Plan. Welsh Government is consulting on a proposal to repeal Part 1 of the Measure which would remove this requirement in future years.</p>
Evaluation Score:	Level 4 - Good
Position November 2017	<p>Following discussions with regulators and the WLGA it was deemed sensible to combine the two requirements to produce well-being objectives and set annual improvement objectives in a single set of clear objectives. The Council’s Well-being Objectives and Statement were published in March 2017 and brought together the latest evidence from the draft well-being assessment, policy and legislation to set out how we will strive to deliver a public service that meets the needs of the present without compromising the ability of future generations to meet their own needs. The objectives are:</p> <p>In order to meet the legislative requirement of approving and publishing the Well-being Objectives by 31st March 2017, further details on actions that will be taken to deliver the objectives and metrics to evaluate progress were still being developed to follow the Council elections in May 2017. The detail on the steps that are proposed to deliver the objectives and metrics to evaluate progress are being developed as part of a new Corporate Plan for the council, which will presented to Cabinet and subsequently to Council. Following the publication of the Well-being Objectives, Wales Audit Office issued a certificate of compliance to confirm that the council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements.</p> <p>The impact of these arrangements and progress made on the well-being objectives will be determined when the annual report of progress is produced in 2018.</p>

<p>2016/17 was the last year we produced an Improvement Plan. The final plan reviewing performance in 2016/17 was published in October 2017. The Wales Audit Office have issued a certificate of compliance stating the council has discharged its improvement reporting duties through this plan. The evaluation identifies areas where we are performing well and areas that still require improvement that will inform our future plans. Based on the performance achieved and impact made three Improvement Objectives were scored as “level 4 – good”:</p> <p>Objective 1 - We will improve at all key stages of education Objective 2 - We will safeguard people, whether young or old, while reducing peoples dependence on social care Objective 4 - Maintaining locally accessible services</p> <p>Two objectives were scored as “level 3 – adequate”:</p> <p>Objective 3 - We want to enable our county to thrive Objective 5 - We want to be an efficient, effective and sustainable organisation</p>
Develop a whole-authority strategic plan or ‘Corporate Plan’ which will contain the Medium Term Financial Plan.
Detail the steps that are proposed to deliver the well-being objectives and identify metrics to evaluate progress.

Service Plans

Purpose:	Each service sets a Service Plan (also called business plan) annually. Service planning and regularly evaluating our performance is fundamental to how we operate and allows services to plan for the future, assess what went well, learn from what didn't and assess the impact the service has made on people and places of Monmouthshire. Service Plans ensure clear alignment between the council's priorities and objectives and detail actions the service will be undertaking, performance measures of the service across four key quadrants of staff; finance; processes and outcomes and the management of risks facing the service.
Evaluation Score:	Level 4 - Good
Position November 2017	<p>Service planning is based on principles that services must comply with in their plans, the principles are based on five key areas: Evaluate, Link, Action, Data and Risk. The principles were revised as part of the 2017/18 planning process including reemphasising the importance of incorporating responsibilities under the Well-being of Future Generations Act and giving consideration to the design principles of Future Monmouthshire, as well as reflecting feedback from the previous year's process.</p> <p>The plans are corporately appraised by the Policy and Performance team and feedback and assistance is provided to services, where required or requested, to improve the quality of plan. The plans are available on The Hub and are accessible to all officers and members providing increased transparency of progress and clear alignment for teams to the vision and strategic direction of the organisation. Performance against the service plans is assessed quarterly by services. The majority of plans continue to provide clarity and focus of the service's activity, although there remains variability in the overall quality of some plans. The timeliness of completing plans and quarterly updates is an area that continues to require improvement to ensure timely evaluation of progress and performance.</p> <p>Previous proposals for improvement from Wales Audit Office have continued to be addressed including a requirement to set out clearly the financial implications of the council's service changes within service improvement plans, which has been reinforced through services being required to incorporate the plans to deliver future financial savings within service plans to monitor the progress and impact of these.</p> <p>In October 2017 Cabinet approved the framework, which is in line with design principles of Future Monmouthshire, for the development of a whole authority 'Corporate Plan', which will frame and contain the MTFP and inform and shape a whole set of enabling and delivery plans around People; Digital and Customers, Assets and Commercial; Social Justice and Well-being and Enterprise and Economic Development. The service planning arrangements of the council will be reviewed to align to the corporate plan and support its delivery.</p>
Key future actions	Review the council's service planning arrangements to support the delivery of the corporate plan and enabling plans.

Performance data and information

Purpose:	<p>Performance data and information is essential to our performance framework. This comprises of nationally set performance indicators and locally set indicators that services have developed to measure the impact of their service.</p> <p>All staff and members need to regularly access and use performance and analysis of performance effectively and efficiently to evaluate the performance of a service.</p>
Evaluation Score:	Level 4 – Good
Position November 2017	<p>The data quality process continues to be strengthened and was amended in 2017 to take account of previous audit feedback and allocate Internal Audit time to examine the systems producing the data as well as the data outputs.</p> <p>Internal guidance notes on completing national and local performance indicators are produced setting clear requirements for data compilers, these were updated and used to inform the submission of national performance data for 2016/17. There is continued support from the Policy and Performance team with a specific and clearly defined role for Internal Audit to quality assure data. In 2016 the audit of nationally and locally set indicators was given an internal audit control rating of “Considerable Assurance”. In April 2017, Wales Audit Office conducted a follow up review of 2015-16 published data which concluded “Data quality arrangements continue to improve and arrangements could be strengthened further by correctly applying the national PI definitions”. Within this there remain recommendations from the internal audit reports that require further attention to ensure processes are improved to meet internal and external audit requirements.</p> <p>There is a continued focus to improve the council’s use of data to inform decision making and evaluation, particularly for new policies or initiatives. This has also been identified in previous Wales Audit Office reviews most recently in the <i>Good Governance when Determining Significant Service Changes</i> review published in March 2017. It is recognised that there is also a particular risk to data quality, including target setting, when developing new performance data measures that may not have been subject to data quality processes previously. These areas will also be particularly targeted for policy and performance team support.</p> <p>The methodology as part of the corporate plan framework includes the requirement that clear criteria is set to allow strategies to be evaluated and ensure public accountability and organisational learning. A data network has been established to ensure the organisation makes the best possible use of the information it holds. The purpose of the network is to develop a more comprehensive understanding of</p>

Key future actions

the authority’s data assets, share experiences about good practice, identify future opportunities and help our colleagues turn data into actionable knowledge.

The shift in focus in the Future Generations Act means that activities will need to be increasingly focused on longer term challenges at a community level. When dealing with more complex societal challenges it will take longer for measurable change to come about and longer still to be able to evidence those changes in a meaningful way. This means the way we measure and evaluate our performance will need to evolve to still allow us to evaluate the efficiency and effectiveness of current service delivery while also track progress against longer term community well-being objectives. Developing the right metrics of community well-being is a continuing process, to do this we continue to work with our Public Service Board partners at a local level as well as across the Gwent area.

Recognising the framework being implemented to develop the corporate plan and increasing need to evaluate long term community well-being the authority-wide performance measurement system for the council the “data hub” needs to be reviewed to ensure the information is up to date, focussed on the right performance data and maximises the potential from automated updates, for example from open data feeds.

Continue to strengthen the data quality process using external and internal audit feedback and liaise with Internal Audit to allocate their time to identified risks in data quality arrangements.

Ensuring that clear criteria are set to allow strategies to be evaluated and ensure public accountability and organisational learning.

Review the effectiveness and design of the data hub to maximise the potential from current technology and ensure content reflects the Council’s latest plan.

Staff Appraisal (Check-In, Check-Out)

Purpose:	Appraisal enables all staff to know what is expected of them, to agree how values and behaviours are linked to how we perform at work and to ensure that all of our work links to the wider purpose of the organisation. Managers at every level are expected to set the right standards, coach, motivate, recognise and feedback on poor performance and recognise those people who deliver good performance.
Evaluation Score:	Level 3 – Adequate
Position November 2017	<p>The employee performance framework, “Check-In, Check-Out” provides a value-based performance assessment approach between staff and line managers. Based on feedback received, the Check-in, Check-out (CICO) process has been reviewed and rolled out with more robust guidance, video tutorials and supportive training. Work will continue increase understanding and maximise completion of the process.</p> <p>In December 2016 Wales Audit Office completed a follow up review on the council’s Human Resources arrangements, following their corporate assessment in 2015. The review found the council has “improved its approach to staff appraisals but not all staff are having their annual appraisals”</p> <p>It was recognised that CICO completion rates are likely to be higher than previously reported as the system was not capturing all data in the most effective way. Recognising this, work has been completed to develop a longer term more effective recording module that allows managers to record the CICO directly into an employee’s record on the human resources system. Work continues with managers to ensure effective use of the recording system. The People Services annual report highlights the redesign of the performance appraisal has enabled the Talent Lab to design specific supporting material and activities to meet learning and development needs identified.</p>
Key future actions	<p>Continue to roll out, increase understanding and maximise completion of the check-in, check-out process.</p> <p>Ensure the effectiveness of systems to capture the number of staff receiving a regular CICO</p>

Strategic Risk Assessment

Purpose:	<p>The risk assessment captures the High and Medium level risks that face the council in line with the council’s risk management policy. This ensures that:</p> <ul style="list-style-type: none"> • Strategic risks are identified and monitored by the authority. • Risk controls are appropriate and proportionate • Senior managers and elected members systematically review the strategic risks facing the authority. <p>The risk assessment is a living document and will evolve as new information comes to light. It is on the hub for select committees to use throughout the year, it is also specifically reported to select committees annually and signed off by Cabinet once a year as an accurate record of the risks facing the organisation.</p>
Evaluation Score:	Level 3 – Adequate
Position November 2017	<p>The risk assessment is prepared by drawing on a wide range of evidence including service plans, performance measures, regulatory reports, progress on the previous risk assessment and the views of select committees. It was also prepared in line with changes to the council’s risk management policy that were approved by Cabinet in March 2015. The pre and post mitigation risk levels are presented separately. In most cases mitigating actions result in a change to the likelihood of the risk rather than the consequences as our actions are generally aimed at reducing the chance of a negative event occurring rather than lessening it’s impact. Clearly there will be exceptions.</p> <p>Select Committees scrutinise and help shape the content of the risk assessment annually, the most recent scrutiny was at meetings between December 2016 and January 2017. The risk assessment is also reported to audit committee to provide an overview of the strategic risk assessment process.</p> <p>The risk assessment is updated as new information comes to light as part of the council’s performance management arrangements. The up-to-date risk log is accessible to members on The Hub. This ensures that select committees are able to re-visit the information at any point in the year to re-prioritise their work plan as appropriate.</p> <p>Lower level strategic risks are managed and monitored through teams’ service improvement plans. The risk assessment remains an area in service plans that is often particularly identified for improvement to strengthen the capture and management of risks facing services.</p>

The Wales Audit Office Corporate Assessment follow-on review on Information Technology published in October 2016 identified that the strategic risk assessment clearly includes the expected elements of a risk register, such as mitigating factors, future actions, and risk owners at officer and member level. The report also proposes risk management arrangements are reviewed to assure that risks are managed consistently across directorates and identify and address risks in a timely and appropriate way.

Part of the process surrounding building the Corporate Plan framework, as presented to cabinet in October 2017, will be ensuring that related policies and toolkits are reviewed and brought in line with renewed purpose, priorities and ambitions in the plan. This will include reviewing the strategic risk assessment to ensure strategic risks related to the direction and resources set out in the plan are identified and managed. Risk management arrangements also still need to be reviewed to ensure they are in line with requirements in the Well-being of Future Generations Act. This will also be informed by the findings of a recent internal audit review of the council's risk management arrangements, carried out in 2017, to ensure any recommendations from the review are holistically addressed.

Key Future
Actions

Risk management arrangements will be reviewed to ensure they are in line with the corporate plan framework, requirements in the Well-being of Future Generations Act and findings from Internal Audit.

Self-Evaluation

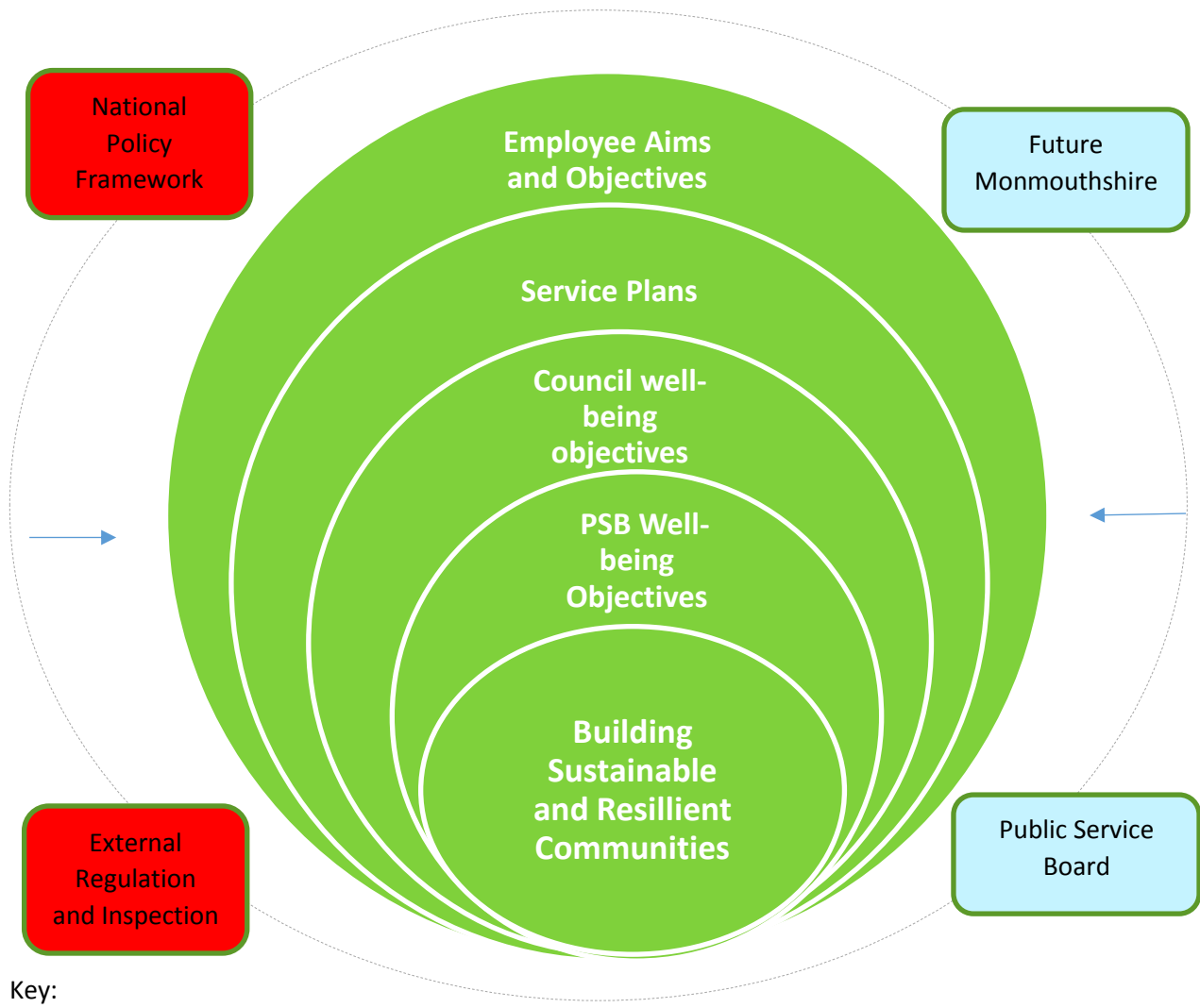
Purpose:	Self-evaluation allows us to appraise what we have done and; assess what went well, learn from what didn't and plan future activity informed by what we did and the impact made.
Evaluation Score:	Level 3 – Adequate
Position November 2017	<p>Over the last few years there has been a considered focus on strengthening self-evaluation arrangements. Following the completion of a programme of Heads of Service challenge sessions there has been a dual focus in improving self-evaluation arrangements.</p> <p>Firstly work has continued to embed the self-evaluation within the council's existing arrangements this includes:</p> <ul style="list-style-type: none"> • The council evaluated its performance in 2016/17 in the Stage 2 Improvement Plan published in October 2017. The Wales Audit Office have issued a certificate of compliance stating the council has discharged its improvement reporting duties through this. • Each services' Service Improvement Plan requires an evaluation of service performance to be completed annually to assess impact made and inform future actions. The service plan appraisals identified some areas could strengthen the use of data to inform the evaluation in their plans. • An evaluation assessment has recently been established for consideration when completing all decision making reports. This aims to support the identification of evaluation criteria and timescales for decisions being made by the Council. <p>Secondly, the current focus is on using learning from the Head of Service challenges undertaken to implement future strategic challenge programmes as part of the Future Monmouthshire programme of work and aligning these more closely with the budget setting process:</p> <ul style="list-style-type: none"> • As a fundamental part of Future Monmouthshire the budget setting process for 2018/19 has continued to evolve the requirements for the use of data and evidence to inform and evaluate proposals being developed. • The methodology as part of the corporate plan framework, which is aligned to the principles of the Future Monmouthshire programme, includes the requirement that clear criteria is set to allow strategies to be evaluated and ensure public accountability and organisational learning, while the shift in focus in the Future Generations Act means the way we evaluate our performance will need to evolve to track progress against longer term community well-being objectives. Embedding measurement and evaluation in the 'Corporate Plan', which will frame and contain the MTFP and inform and shape a whole set of enabling and delivery plans will be a particular focus over the next few months.

	<ul style="list-style-type: none"> • Cabinet also agreed to commission an annual report, to be received by Audit Committee, on the continued effectiveness of the council's strategic planning framework, ensuring the necessary checks and balances are in place around monitoring, evaluation, decision-making and policy-making.
Key Future Actions	Implement strategic challenge programmes as part of the Future Monmouthshire programme of work
	Produce an annual report on the continued effectiveness of the council's strategic planning framework and report to Audit Committee,
	Embed evaluation criteria and arrangements in the Corporate Plan




Appendix 2

Our Performance Framework

In Monmouthshire it's even more than the place, it's the people. Not just those on the council's payroll but all of the people who work with us in delivering services and achieving value for money. Our Performance Framework makes sure that everyone is pulling in the same direction to deliver real and tangible outcomes.



Key:

-  Performance Framework
-  Improvement Activity
-  External Influences

Building Sustainable and Resilient Communities



We want to enable the building of sustainable and resilient communities that support the well-being of current and future generations.

This purpose is at the heart of everything we do to improve the economic, social, environmental and cultural well-being of Monmouthshire. We will consider sustainable development in how we plan and deliver our well-being objectives and contribute to the achievement of the seven national well-being goals for Wales.

PSB Well-being Objectives



The Well-being of Future Generations Act also puts a well-being duty on specified public bodies to act jointly via Public Service Boards (PSB) to improve the economic, social, environmental and cultural well-being of their area by contributing to the achievement of the well-being goals.

We are a partner in the PSB. The PSB has produced a Well-being Assessment for Monmouthshire and in 2018 will publish a well-being plan, including objectives for the county, which we will contribute to.

Council well-being objectives



The Well-being of Future Generations Act requires the council to set and publish well-being objectives and a statement, take all reasonable steps to meet those objectives and make arrangements to publish an annual report of progress.

The well-being objectives bring together the latest evidence from the well-being assessment, policy and legislation to set out how we will deliver a public service that meets the needs of the present without compromising the ability of future generations to meet their own needs.

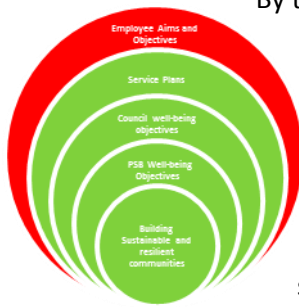
Service Plans



Each of our teams has a service plan that aligns to the objectives we are striving to achieve. This describes what they are doing to deliver the outcomes of the council, contains measures that can be used to assess progress and whether people are better off because of our work and identifies and manages risks facing the service.

All our Service Plans are available on the council's Intranet, the hub.

Employee aims and objectives



By their very nature, service and business plans contain standard measures and targets relating to employee performance. The responsibility for delivery of the plans and improvements rests with all employees. Our employee aims and objectives show the contributions that individual colleagues make to these objectives and delivering the organisations vision in accordance with our values.

We must involve and empower all employees to be the best they can be so that they can think differently and develop solutions to problems; and sustain 21st century public services.

This page is intentionally left blank



Reference: 193A2017-18

Date issued: October 2017

Audit of Monmouthshire County Council's Assessment of 2016-17 Performance

Certificate

I certify that I have audited Monmouthshire County Council's (the Council's) assessment of its performance in 2016-17 in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to annually publish an assessment which describes its performance:

- in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
- in meeting the improvement objectives it has set itself;
- by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
- in meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.

The Measure requires the Council to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order.

The Measure requires that the Council has regard to guidance issued by Welsh Ministers in publishing its assessment.

As the Council's auditor, I am required under sections 17 and 19 of the Measure to carry out an audit to determine whether the Council has discharged its duty to publish an assessment of performance, to certify that I have done so, and to report whether I believe that the Council has discharged its duties in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information. Other assessment work that I will undertake under section 18 of the Measure may examine these issues. My audit of the Council's assessment of performance, therefore, comprised a review of the Council's publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the assessment complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing it.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.



Huw Vaughan Thomas

Auditor General for Wales

CC: Mark Drakeford – Cabinet Secretary for Finance and Local Government
Non Jenkins, Manager
Dave Wilson, Performance Audit Lead

**The Monmouthshire County Council
Welsh Church Act Fund**

**Annual Report and Financial Statements for the
year ended the 31 March 2017**

Registered Charity Number: 507094

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2017**

Contents

Trustee, Officers and Advisors	1
Report of the Trustee	2
Independent Auditors' Report	5
Statement of financial Activities	7
Balance Sheet	8
Cashflow Statement	9
Notes to the Financial Statements	10

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2017**

Trustee, Officers and Advisors

Trustee

Monmouthshire County Council

Secretary

Robert Tranter
Monitoring Officer
Monmouthshire County Council

Registered Office

Innovation House
Magor
PO Box 106
NP26 9AN

Auditors

Wales Audit Office
24, Cathedral Road
Cardiff
CF11 9LJ

Solicitor

Robert Tranter
Head of Legal Services
Monmouthshire County Council

Investment Custodian

Monmouthshire County Council

General Management

Mrs Joy Robson
Central Finance Monmouthshire County Council

Bankers

Barclays Bank
1-5 St David's Way
St David's Centre
Cardiff
CF10 2DP

The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2017

Report of the Trustee for the year ended 31 March 2017

The Trustee presents its annual report and the audited financial statements for the year ended 31 March 2017 of The Monmouthshire County Council Welsh Church Act Fund ('the Charity').

The information with respect to the Trustee, officers and advisors set out on page 1 forms part of this report.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on the 16th July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and the UK Generally Accepted Practice as it applies from the 1st January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Structure, Governance and Management

The Charity is governed by the Welsh Church Act 1914 and the Welsh Church Act (Designation and Specification) Order 1996 and is registered with the Charity Commissioners under charity number 507094. A model scheme for the administration of the fund has been prepared and has been submitted to the Welsh Government for approval.

The Trust covers the Council administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen and the City of Newport, with Monmouthshire County Council being designated as the host Authority. The Monmouthshire Welsh Church Act Fund was established on 1 April 1996, from the former Gwent Welsh Church Act Fund and part of the former Mid Glamorgan Welsh Church Act Fund.

Monmouthshire County Council as the Corporate Body is the Trustee for the Welsh Church Fund and therefore there are no policies and procedures adopted for the induction and training of trustees. The trustees also have regard to the Charity Commission's guidance on public benefit.

The management of the Fund is undertaken by officers of the Council and a calculated proportion of their time is charged to the Fund.

Objectives

The primary object of the Charity for each year, as stated in its governing document, is to assist groups and individuals for educational, social, recreational and other charitable purposes. Grants are available from the Fund for capital or revenue purposes. Capital grants may be awarded to assist organisations in the furnishing and upkeep of buildings. Revenue grants are designed to further the aims of societies and to assist individuals in their various pursuits.

Grants allocation policy

An annual budget set by the Trustee for grant payments is split between the administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen and Newport on a population basis.

A Committee set up by the Trustee approves grant applications on a basis in line with full Council meetings or as deemed required by the participating authorities. Grants are made in pursuance of the Charity's objectives.

The grant allocation of each financial year is considered in line with the long term financial viability of the trust and to maintain the ability to generate funds in future years for distribution by maintaining sufficient capital assets.

The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2017

Review of activities and future developments

The statement of financial activities for the year is set out on page 7 of the financial statements. A summary of the financial results and the work of the Charity are set out below.

The Fund has increased in value by £254,089 (£38,991 decrease in 2015/16); this increase in value is mainly due to the re-valuation of the investments assets of £214,418 (£133,455 decrease in 2015/16) as a result of market conditions at the year-end.

Income is principally comprised of investment income of £202,919 (£210,673 in 2015/16), The Trust has utilised the Trustee's own investment managers to manage the fund, thus, controlling management fees and therefore maximising returns whilst at the same time maintaining a balanced capital risk strategy.

Charitable resources expended during the year amounted to £174,127 (£127,037 in 2015/16) and principally comprised grant payments of £169,842 (£122,604 in 2015/16). This increase in expenditure was primarily due to Torfaen Borough Council changing their grant allocation policy to support only applicants who are deemed to be in need of financial assistance due to poverty.

As indicated previously, net gains on investments held amounted to £232,417 (£133,395 net loss in 2015/16). These non-realised investment gains have been as a result of the Trusts' current investment strategy, diversifying the portfolio across several investment categories in the last couple of financial years. The long term projections on these charity based investments as indicated by the Trustees' Treasury consultants continue to outperform the trust's old pooled investment strategy as reflected by the continuing increased investment returns received during the financial year.

Income generation

The Charity's income was £208,821, compared to £225,935 in 2015/16. The full implementation of the market investment strategy that has mainly replaced the pooled investment strategy with Monmouthshire County Council has continued to produce larger returns in the financial markets due to investment in more specific charitable investment funds. This income generation forms the main basis of the following years grant allocations to ensure continuity and non-degradation of the funds capital assets and to perpetuate the charity as a 'going concern'.

Bad debt provision

There are no bad debts arising in the year of account.

Investment powers, policy and performance

Under the terms of the Trust Deed, the Trustee has general powers of investment, subject to the provisions of the Trustee Act 2000. The investment policy of the Trust is to maximise the rate of investment return, whilst employing a risk strategy that minimises any potential reduction in the capital value of the Fund.

The Trustee has reviewed its investment strategy and produced an investment and fund strategy for 2016/17, which was approved by Monmouthshire County Council in its capacity as sole and corporate trustee, on March 2nd 2016.

Changes in fixed assets

The fixed asset investments were re-valued in the 2016-17 financial year in line with the Investment Asset policy of revaluation every year.

Reserves

The Trustee's policy is to maintain the level of investments at a level that provides sufficient annual income to fund the Charity's charitable expenditure. The level of funds held at 31st March 2017 is £5,470,678. The Trustee has reviewed its Fund strategy and produced an investment and fund strategy for 2016/17 which states that the purpose of reserves is to maintain investments such that they realise sufficient income to provide grants to organisations at a consistent level. Whilst, the strategy is to ensure that there is no long-term detrimental effect on overall reserve balances, recommendations made by the Charity Commission has resulted in grants allocations being made in line with investment returns.

The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2017

Governance of the Charity

Three representative councillors from each of the five administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen and Newport are appointed by their respective councils annually to form a committee to oversee fund management. Members are appointed to the committee for the term of the Council.

Risk management

The Trustee has undertaken a review of the major risks to which the Charity is exposed and its risk management and internal control procedures should be updated to ensure that systems are in place to mitigate the risks identified. The risk assessment was considered by Monmouthshire County Council on 2nd March 2016 and no risks were identified.

Auditors

The Wales Audit Office was appointed as auditors to the Welsh Church Act Fund in 2007/08.

Statement of Trustee's responsibilities

The Trustee is responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity and its financial activities for that period.

In preparing those financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The Trustee confirms that it has complied with the above requirements in preparing the financial statements.

The Trustee is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the financial statements comply with the Charities Act 1993 It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee certifies that:

- as far as it is aware, there is no relevant information of which the Charity's auditors are unaware; and
- as Trustee of the Charity, it has taken all the steps that it ought to have taken in order to make itself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

By order of the Trustee

Mr Mark Howcroft

Assistant Head of Finance (Deputy S151 Officer)– Monmouthshire County Council

Date:

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2017**

**Report of the Auditor General for Wales to the Trustee of the
Monmouthshire County Council Welsh Church Act Fund**

I have audited the financial statements of Monmouthshire County Council Welsh Church Act Fund for the year ended 31 March 2017, which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustee and independent auditor

As explained more fully in the Trustee Responsibilities Statement set out on page 2, the trustee is responsible for the preparation of financial statements which give a true and fair view.

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustee; and the overall presentation of the financial statements.

In addition, I read all the financial and non-financial information in the Trustee Annual Report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2017 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Charities Act 2011.

Opinion on other matters

In my opinion the information in the Trustee Annual Report is consistent with the financial statements.

Matters on which I am required to report by exception

I have nothing to report in respect of the following matters where the Charities Act 2011 requires me to report to you if, in my opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2017**

Emphasis of Matter

Your attention is drawn to the fact that the Charity has prepared its financial statements in accordance with the Charities SORP 2015 in preference to the Charities SORP 2005 which is referred to in the extant regulations but has been withdrawn. We understand this has been done in order for the accounts to provide a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

Ann-Marie Harkin
On behalf of the Auditor General for Wales
Date:

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2017**

**Statement of financial activities (Sofa) for the year ended 31
March 2017**

	Notes	2017 Unrestricted Funds £	2017 Total Unrestricted Funds £	2016 Total Unrestricted Funds £
Income & Endowments from:				
Investment income	2	205,979	205,979	213,441
Other incoming resources		2,842	2,842	12,494
Total income & Endowments		208,821	208,821	225,935
Resources Expended				
Raising funds:				
Investment Property Professional fees		(1,247)	(1,247)	0
Management and administration		(2,500)	(2,500)	(2,951)
Movement in bad debt provision		0	0	942
		(3,747)	(3,747)	(2,009)
Charitable expenditure				
Costs of activities in furtherance of the Charity's objects				
Grants payable	3,4	(169,842)	(169,842)	(122,604)
Management and administration		(4,285)	(4,285)	(4,433)
Other				
Governance Costs	5	(9,275)	(9,275)	(2,485)
Total Resources Expended		(187,149)	(187,149)	(131,531)
Gains/(losses) on investment assets	10	232,417	232,417	(133,395)
Net Income / Expenditure		254,089	254,089	(38,991)
Transfers between funds	13	0	0	0
Net movement in funds				
Fund balances brought forward April 2016		5,216,589	5,216,589	5,255,580
Fund balances carried forward 31 March 2017	13	5,470,678	5,470,678	5,216,589

All incoming resources and resources expended are derived from continuing activities. There are no recognised gains or losses other than those disclosed above.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2017**

Balance Sheet as at 31 March 2017

	Notes	2017 Unrestricted Funds £	2016 Unrestricted Funds £
Fixed assets			
Investment Land	9	400,501	382,501
Investments	10	4,844,898	4,630,481
		5,245,399	5,012,982
Current assets			
Debtors: amounts falling due within one year	11	180,021	147,736
Cash at bank and in hand		212,271	168,192
		392,292	315,928
Current Liabilities			
Creditors: amounts falling due within one year	12	(167,013)	(112,321)
Net current assets or liabilities		225,279	203,607
Net assets or liabilities		5,470,678	5,216,589
The Funds of the Charity:			
Unrestricted Funds	13	5,470,678	5,216,589
Total Charity funds		5,470,678	5,216,589

The accounts on pages 7 to 16 were approved by the Trustee on 23 November 2017, and signed on their behalf by:

By order of the Trustee

Mr Mark Howcroft
Assistant Head of Finance (Deputy S151 Officer) – Monmouthshire County Council

Date:

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2017**

Statement of Cash flows as at 31 March 2017

	note	Total Funds £	Prior Year Funds £
Cash flows from operating activities			
<i>Net cash provided by operating activities</i>	7	(161,900)	(166,794)
<hr/>			
Cashflow from investing activities			
Dividends and rents from investments		205,979	213,441
<hr/>			
<i>Change in cash and cash equivalents in the reporting period</i>		44,079	46,647
Cash and cash equivalents at the beginning of the reporting period		168,191	121,544
<hr/>			
<i>Cash and cash equivalents at the end of the reporting period</i>		212,271	168,191
<hr/>			

Notes to the financial statements for the year ended 31 March 2017

1 Principal accounting policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern..

A summary of the principal accounting policies, which have been applied consistently, are set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, as modified by the inclusion of investments and tangible fixed assets at market value. During the year the Charity reviewed its accounting policies in accordance with FRS 102 'Accounting Policies'. No accounting policies have been changed as a result.

Incoming Resources

All income is accounted for on an accruals basis.

Resources expended

All expenditure is accounted for on an accruals basis. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Grants payable

Grants payable are accounted for in full as liabilities of the Charity when approved by the Trustee and accepted by the beneficiaries.

Management and administration

Management and administration costs include expenditure on administration of the Charity and, an appropriate apportionment of overheads based upon a time allocation.

Governance Costs

Governance costs comprise costs involving the compliance with constitutional and statutory requirements. These costs relate to audit fees payable to the appointed external auditor.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Debtors/ Creditors

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2017**

Fund accounting

Funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Investment Land and Property

Capitalisation, Replacement and Valuation

The Trust's policy is to revalue its Investment land on an annual basis in line with the Charities SORP. Valuations will also be undertaken where it is identified that there have been material movements between formal valuations, this has been changed from a five year valuation cycle due to the Land assets being deemed to be Investment Land not tangible fixed assets.

An Independent valuer of Williams Associates, a qualified Land Valuers and Chartered Surveyors, re-valued all Investment Land as at 1st November 2016 and all assets held at year-end are included in the accounts at valuation. Vacant properties are valued at open market value. Properties that are deemed to be Community Assets are valued at a £1.

Depreciation

Land is not depreciated. The Fund currently has no buildings on the fixed asset register.

Investments

Any realised and unrealised gains and losses on revaluation or disposals of investments are included in the statement of financial activities. The Authority is authorised to invest any surplus income or dispose of any investments when it deems appropriate. Investments are strategically placed in investment funds specifically designed for charitable organisations. Investment performance is reviewed periodically in light of prevailing economic changes.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided.

Cash flow statement

The Charity has produced a cash flow statement under Financial Reporting Standard 102 under section 7 on the basis that it meets the relevant conditions and size criteria specified in the Companies Act.1985.

2 Investment income

	2017	2016
	£	£
Investments with Monmouthshire County Council	1,672	2,008
Investment Property Rental Income	3,060	2,768
External Investments	201,247	208,665
	205,979	213,441

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2017**

3 Grants Payable

	2017	2016
	£	£
Grants have been paid to the following administering Local Authorities for them to make to groups and individuals on behalf of the Fund:		
Monmouthshire County Council	22,858	25,175
Torfaen County Borough Council	48,858	6,642
Newport City Council	56,180	44,535
Blaenau Gwent County Borough Council	24,396	16,201
Caerphilly County Borough Council	17,550	30,051
	169,842	122,604

The management and administration cost of the fund and grants distributed were £4,285 during the year.

4 Analysis of Grants

	Grants to Organisations	Grants to Individuals
	£	£
The Advancement of Education	540	850
The Advancement of Religion	73,599	0
The Relief of Poverty	0	49,476
Other Purposes Beneficial to the Community	45,377	0
Total	119,516	50,326

Caerphilly Borough Council, Torfaen County Borough Council, Blaenau Gwent and Monmouthshire County Council have under spent their allocations for 2016/17 by £218,568, £18,504, £3,297 and £18,504 respectively which will be carried forward for distribution in 2017/18. Grants to Churches and other Religious establishments totaled £73,599 and Community Organisations £45,377 respectively during the financial year. Grants of essential equipment and furnishings to the value of £49,476 were made to individuals for the relief of families in deemed to be in poverty. The St Julias Church in Newport, The Christ Church in Ebbw Vale, St George's Church and Ebenezer Chapel in Tredegar, Ebenezer Baptist Church in Abertillery and the Hospice of the Valleys have received 2 individual awards during the year totaling £3,780, £750, £634, £750, £884 and £500 respectively.

5 Governance Costs

	2017	2016
	£	£
Auditor's remuneration	9,275	2,485
	9,275	2,485

Governance costs are now reflective of market rates and the balance contained within 2016-17 reflects an un-accrued adjustment to the Wales Audit Office rates.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2017**

No indemnity insurance for Trustee's liability has been purchased by the Charity. Though no specific indemnity insurance has been purchased by the Charity, the Fund is covered by Monmouthshire County Councils' fidelity guarantee insurance. Insurance covers financial losses incurred as a result of fraudulent acts conducted by Authority employees but does not cover the Trustee for any wrong decisions that may have been made. Governance costs have increased during the year as a result of the Public Audit Wales Act and in particular the duty placed on the Wales Audit Office to ensure full cost recovery in its audit fees.

6 Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Charity is not separately registered for VAT because it falls within the Local Authority's VAT Registration as Corporate trustee and accordingly, all their expenditure is recorded exclusive of any VAT incurred.

**7 Reconciliation of net income/ (expenditure) to net cash flow
from operating activities as at 31 March 2017**

	Current Year £	Prior Year £
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	254,089	(38,991)
Adjustments for non-cash transactions		
(Gains) /losses on investments	(232,417)	133,395
Dividends, Interest & Rents from investments	(205,979)	(213,441)
Increase/(decrease) in Provisions	0	(12,494)
(Increase)/ decrease in debtors / bad debts	(32,285)	(34,550)
Increase/(decrease) in creditors	54,692	(712)
Net cash provided and (used in) operating activities	(161,890)	(166,794)

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2017**

8 Analysis of cash and cash equivalents as at 31 March 2017

	Current Year	In Year Movement	Prior Year
	£	£	£
Cash in hand	212,271	44,079	168,192
Overdraft facility repayable on demand	0	0	0
Total cash and cash equivalents	212,271	44,079	168,192

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2017**

9 Investment Land and Property

	Total
	£
Valuation	
At 1 April 2016	382,501
Disposals	0
Revaluation	18,000
At 31 March 2017	400,501
Depreciation	
At 1 April 2016	0
Charge in year	0
Disposals	0
At 31 March 2017	0
Net book Value	
At 1 April 2016	382,501
At 31 March 2017	400,501

Tangible Investment Assets solely consist of freehold land. All land held by the Fund had been revalued as at 1st November 2016. Valuations were carried out in accordance with the valuation policy. A further valuation will be carried out within 2017/18 financial year and on thereafter on an annual rolling basis.

10 Investments

	2017	2016
	£	£
CCLA - COIF Property Fund	1,006,356	1,048,603
UBS Multi Asset Income Fund	712,332	698,398
M&G Charibond Fund	724,274	703,312
Schroders Income Maximiser	453,662	406,342
M&G Charifund	542,527	492,404
CCLA - COIF Investment Fund	943,368	827,037
Treasury Stock 2024 2.5%	112,379	104,385
Invested with Monmouthshire County Council	350,000	350,000
	4,844,898	4,630,481

The Trust has investments held with UBS, M&G, Schroeder's, CCLA, HM Treasury and Monmouthshire County Council which are generally managed by the trusts treasury management advisors. Returns from Monmouthshire County Council are generated on a "pooled" basis. The average rate of interest generated on the pooled funds from Monmouthshire was 0.3338% for 2016/17 (0.4495% for 2015/16). The basis of valuation on the market based investments held with CCLA, M&G, UBS and Schroder's, is the

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2017**

open market value of the unit holdings on the 31st March 2017 multiplied by the units held. There were no additions or disposals of investments during the financial year. The Treasury Stock 2024 valuation is based upon the market value of the Treasury Gilts at the 31st March 2017 as listed on the dmo.gov website. The value of the ‘pooled’ investment with Monmouthshire County Council is the cash value as at the 31st March 2017. None of the Investments are held outside of the territorial limits of the United Kingdom and the cost of the revaluations is contained within the charity management fee charged annually from Monmouthshire County Council.

11 Debtors

	2017 £	2016 £
Amounts falling due within one year		
<i>Prepayment & accrued income</i>		
Investment Income	178,430	140,600
Other Debtors		
MCC Bank Transfer	0	0
<i>Trade debtors</i>		
Rental income	0	2,768
Bad debt provision for loss of rental income	0	57
<i>Other Debtors</i>		
HM Revenue and Customs	1,591	622
Other Debtors	0	3,689
	180,021	147,736

All investment interest due from the trustee was paid in year in 2016-17.

12 Creditors

	2017 £	2016 £
Amounts falling due within one year		
Grant creditors	151,384	104,679
Other creditors	15,629	7,642
	167,013	112,321

Grant creditors are recognised on the amounts awarded by the five constituent authorities of the Welsh Church Fund unpaid at the financial year-end. Other creditors are fees reimbursable for professional services utilised during the financial year by the Charity.

13 Funds

	Balance 1 April 2016 £	Incoming resources £	Resources Expended £	Other Recognised Gain / (Loss) £	Balance 31 March 2017 £
Unrestricted funds	5,216,589	208,821	187,149	232,417	5,470,678

There were no transfers between funds during the 2016-17 financial year.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2017**

14 Related party transactions

During the year transactions with related parties arose as follows:

	2017		2016	
	Receipts	Payments	Receipts	Payments
	£	£	£	£
Monmouthshire County Council	4,513	4,537	7,543	22,824

Members of the Authority have direct control over the Welsh Church Fund's financial and operating policies. Where work or services have been commissioned, or where grants were made during the financial year in which members had an interest, members have a duty to declare such an interest. The Welsh Church Fund must ensure that grants allocated were in full compliance with the Authority's standing orders and that grants were made with proper consideration of declarations of such interests.

During the financial year, members who declared an interest did not take part in any discussion or decision relating to grants made or works or services commissioned. Details of all interests declared are recorded in minutes or relevant meetings and recorded in the Register of Members' Interest, open to public inspection at County Hall, Usk.

13 Trustee's Expenses, Remuneration and Benefits

No Expenses, Remuneration or Benefits were incurred during the year of account

This page is intentionally left blank

**Monmouthshire Farm School Endowment
Trust Fund**

**Annual report
for the year ended 31 March 2017**

-Registered Charity Number: 525649

**Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2017**

Contents

Trustees, officers and advisors	1
Report of the Trustee	2
Independent examiners report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7

**Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2017**

Trustees, officers and advisors

Trustees

D L Edwards
Monmouthshire County Council

D Yeowell
Torfaen County Borough Council

R Edwards
Monmouthshire County Council

Professor J D Hayes
University College Wales Aberystwth

R J W Greenland
Monmouthshire County Council

K Backhouse
Director Usk Campus – Coleg Gwent

S B Jones
Monmouthshire County Council

D Havard
Caerphilly County Borough Council

A Easson
Monmouthshire County Council

D.W.H Jones
Monmouthshire County Council

R Pagett
Blaenau Gwent County Borough Council

Dr W O C Symondson
University of Wales College Cardiff

Secretary

P Matthews – Acting Monitoring Officer, Monmouthshire County Council

Registered Office

County Hall, The Rhadyr, Usk, NP15 1GA

Auditors

Wales Audit Office, 24 Cathedral Road, Cardiff, CF11 9LJ

Solicitors

R Tranter, Head of Legal Services, Monmouthshire County Council

Investment custodian

Monmouthshire County Council

Bankers

Barclays Bank, Leicester, Leicestershire LE87 2BB

Monmouthshire Farm School Endowment Trust Fund Annual report for year ended 31st March 2017

Report of the Trustee for the year ended 31st March 2017

The Trustee presents its annual report and the audited financial statements for the year ended 31 March 2017 of The Monmouthshire Farm School Endowment Trust Fund. The information with respect to the Trustee, officers and advisors set out on page 1 forms part of this report. The accounts (financial statements) have been prepared in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic (FRS 102) and Charity Act 2011. The financial statements comply with the Charity's trust deed.

Status and administration

The Charity is governed by the 1959 Principal Scheme as amended by the Altering Scheme of 1971, although the governing body may rightly claim a history stretching back to 1894. The Fund is registered with the Charity Commission under charity number 525649.

Objects

The primary object of the Charity, as stated in its governing document, is to make awards to students in need of assistance to attend Usk Agricultural College, or at the discretion of the governing body, any other college, institution or university to pursue courses of study in agricultural subjects. The governing body can use its discretion to apply any unawarded income to provide funding towards the cost of their facilities or amenities at Usk College which would benefit these students. The grant awarded have allowed the beneficiaries to pursue land based courses to enhance career opportunities. The area of benefit is clearly defined, household income is a consideration when making the award. Grants were awarded to 12 people and the total awards were £26,209.

Review of activities and future developments

The statement of financial activities for the year is set out on page 5 of the financial statements. A summary of the financial results and the work of the Charity are set out below.

The Fund has increased in value by £20,372 (£2,499 increase in 2015/16) over the financial year as a result of outgoing resources being outweighed by incoming resources.

Income is comprised of interest on investment stock and cash held of £24,816 (£23,314 in 2015/16), and £19,701 (£32,479 in 2015/16) in respect of the annual payment from the Roger Edwards Educational Trust Fund. Expenditure of £29,989 (£30,127 in 2015/16) primarily comprised of grants payable of £26,209 (£27,651 in 2015/16) in line with the Charity's objects. Unrealised investment gain of £5,844 (£23,167 loss in 2015/16) were made in relation to investments held.

The current strategy is to ensure that there are sufficient funds to meet the needs of beneficiaries.

Investment powers, policy and performance

Under the terms of the Trust Deed, the Trustee have general powers of investment, subject to the provisions of the Trustee Act 2000. The Trustee has reviewed its investment strategy and produced an investment and fund strategy for 2014/15 which was approved by Monmouthshire County Council in its capacity as Trust administrator on 2nd March 16. Investments are strategically placed in low-risk investments. Investment performance is reviewed periodically in light of prevailing economic changes.

Grant making policy

Grants are made in pursuance of the Charity's objectives in assisting students in need to attend Usk Agricultural College, or at the discretion of the governing body, any other college, institution or university to pursue courses of study in agricultural subjects.

Changes in fixed assets

The movements in fixed asset investments during the year are set out in note 7 to the financial statements.

Monmouthshire Farm School Endowment Trust Fund Annual report for year ended 31st March 2017

Reserves

The Fund consists primarily of the sale proceeds of the Former Monmouthshire Farm School by the governing body of the school to Monmouthshire County Council. The fund receives an annual payment from The Roger Edwards Educational Trust (Charity Number 525638) equivalent to two thirds of the annual investment and rental income accrued to the Foundation.

The Trust has reviewed its fund strategy and produced an investment and fund strategy for 2014-15 which states that it is the Trust's policy to maintain funds at approximately the current level and utilise the annual income received to fund its charitable expenditure. This was approved by Cabinet on the 4th March 2015.

Governance of the Charity

Representative Trustees appointed by Monmouthshire County Council have a term of office equivalent to the term of a County Council (four years); the other representative Trustees have a term of office of three years and the co-operative Trustees have a term of office of five years. The Trustees are listed on page 1.

Risk management

Monmouthshire County Council as appointed administrator of the Trust Fund periodically review the major risks to which the Charity is exposed as part of the Authority's overall risk management and financial control processes. The Roger Edwards Educational Trust provide significant income to this trust and forms the majority of income that can be used for grants. This income is received after the audited accounts have been agreed and therefore this is usually late in the financial year. A risk assessment policy was approved by Cabinet on 2nd March 2016.

Auditors

The Wales Audit Office are the appointed auditors to the Charity.

Trustees responsibilities

The Trustees are required by charity law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of the net incoming/outgoing resources of the Charity as at the end of the financial year.

The Trustee confirms that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st March 2017. The Trustee also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Trustee are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Trustee

Trustee:

Date:

**Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2017**

**Report of the independent examiner to the trustee of
Monmouthshire Farm Endowment Trust Fund**

I report on the accounts of Monmouthshire Farm School Endowment Trust Fund for the year ended 31st March 2017, which are set out on pages 5 to 10.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act). You are satisfied that the accounts are not required to be audited by charity law and have chosen instead to have an independent examination.

I report in respect of my examination of your charity's accounts as carried out under section 145 of the Act; In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Ann-Marie Harkin
On behalf of the Auditor General for Wales
Date:

24 Cathedral Road
Cardiff CF11 9LJ

Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2017

Statement of financial activities (Sofa) for the year ended 31st March 2017

	Notes	2017 Unrestricted Funds £	2016 Unrestricted Funds £
Income & Endowments from:			
Investment income	2	24,816	23,314
Other incoming resources (REET)		19,701	32,479
Total income & Endowments		44,517	55,793
Resources Expended			
Charitable expenditure			
Costs of activities in furtherance of the Charity's objects			
Expenditure on charitable activities	3	26,209	27,651
Other expenditure	3 & 4	3,780	2,476
Total Resources expended		29,989	30,127
Gains/(losses) on investment assets	5	5,844	(23,167)
Net Income / Expenditure		20,372	2,499
Net movement in funds			
Fund balances brought forward 1 April 2016		704,932	702,433
Fund balances carried forward 31 March 2017		725,304	704,932

All incoming resources and resources expended are derived from continuing activities. There are no recognised gains or losses other than those disclosed above.

Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2017

Balance Sheet as at 31 March 2017

	Notes	2017 Unrestricted Funds £	2016 Unrestricted Funds £
Fixed assets			
Investments	7	617,796	611,952
		617,796	611,952
Current assets			
Debtors: amounts falling due within one year	8	25,305	35,393
Cash at bank and in hand		87,969	59,687
		113,274	95,080
Current Liabilities			
Creditors: amounts falling due within one year	9	5,766	2,100
Net current assets		107,508	92,980
Net assets		725,304	704,932
The Funds of the Charity:			
Unrestricted Funds	10	725,304	704,932
Total Charity funds		725,304	704,932

The accounts were approved by the Trustee on 17th July 2017 and signed on their behalf by:

Trustee:

Date:

Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2017

Notes to the financial statements for the year ended 31st March 2017

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic (FRS 102) and Charity Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102. The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Incoming Resources

All income received is accounted for on a receivable basis and has been classified under the appropriate categories. The income received from the Roger Edwards Educational Trust is an estimation of income based on historical data, the actual income relating to 2016-17 has not been received at the time of this report, and therefore any adjustment will be made in the accounts for 2017-18.

Grants payable

Grants payable are accounted for in full as liabilities of the Charity when approved by the Trustee and accepted by the beneficiaries.

Management and administration

Monmouthshire County Council administer the Trust Fund on behalf of the Trustee. Management and administration costs include expenditure on administration of the Charity and compliance with constitutional and statutory requirements, and an appropriate apportionment of support service recharges and overhead apportionments. The basis of the apportionment is a fixed fee agreed with the trustees of £200 per year.

Debtors/ Creditors

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fund accounting

General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity. Investment income and gains are allocated to the appropriate fund.

Monmouthshire Farm School Endowment Trust Fund Annual report for year ended 31st March 2017

Investments

Investments are included at market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are combined in the statement of financial activities.

Transition to FRS 102

The opening fund position at the date of transition have not been restated and no subsequent restatement of items has been required in making the transition to FRS 102. The transition date was 1 April 2016.

Cash flow statement

The charity has taken exemption from preparing a cash flow under Charities SORP FRS 102 Update Bulletin 1.

2 Investment income

	2017	2016
	£	£
Interest on cash balances	0	615
Interest on Investments	24,816	22,699
	24,816	23,314

3 Expenditure on Charitable Activities

	2017	2016
	£	£
Grants payable	26,209	27,651
Management & administration	3,780	2,476
	29,989	30,127

Grants payable comprise numerous payments to individual students in respect of part-time courses attended. It is not possible to provide further details due to restrictions of confidentiality.

4 Governance Costs

	2017	2016
	£	£
Net incoming resources is stated after charging:		
Auditor's remuneration	2,560	1,701
	2,560	1,701

No indemnity insurance for Trustee's liability has been purchased by the Charity. Though no specific indemnity insurance has been purchased by the Charity, the Fund is covered by Monmouthshire County Councils' fidelity guarantee insurance. Insurance covers financial losses incurred as a result of fraudulent acts conducted by Authority employees but does not cover the Trustee for any wrong decisions that may have been made. Governance costs have increased during the year as a result of the Public Audit Wales Act and in particular the duty placed on the Wales Audit Office to ensure full cost recovery in its audit fees. The audit fee is included in the management and administration spend as per note 3.

Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2017

5 Gains and losses on revaluation and disposal of investment assets

	Market Value 2016 £	Additions (Disposals) £	Market Value 2017 £	Gain/(Loss) £
Charibond	199,805	0	205,761	5,956
OEIC	184,541	0	192,858	8,317
COIF	227,606	0	219,177	(8,429)
Total	611,952	0	617,796	5,844

6 Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Charity falls with Monmouthshire County Council regulations for VAT, and therefore any liability is accounted for within Monmouthshire County Council.

7 Fixed asset investments

	Total £
Valuation at 1 April 2016	611,952
Net revaluation (loss) / gain	5,844
Valuation at 31 March 2016	617,796

Fixed asset investments solely consist of the quoted investments. All investments are stated at their market value at 31st March 2017. The historical cost of the investments at 31st March 2017 was £639,000. All of the Charity's investments are quoted in the UK. The details of these are disclosed in the table below, being Charibond, COIF and OEIC Fund.

Investments with a market value greater than 5% of the total portfolio market value at 31st March 2017 are as follows:

	£	%
COIF	219,177	35
Charibond	205,760	33
OEIC Fund	192,859	32

The percentage shown above is the percentage of the total portfolio market value as at 31st March 2017.

Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2017

8 Debtors

	2017	2016
	£	£
Amounts falling due within one year		
Receivable from The Roger Edwards Educational Trust Fund	25,000	32,000
Accrued Interest Receivable	0	2,330
HM Revenue and Customs	305	1,063
	25,305	35,393

The majority of the debt relates to the payment from the Roger Edwards Educational Trust. This is an estimate of the income based on historical payments.

9 Creditors

	2017	2016
	£	£
Amounts falling due within one year		
Accruals and deferred income	5,766	2,100
	5,766	2,100

The amounts owed relate to audit fees and payments to Monmouthshire County Council to administer the trust.

10 Unrestricted Funds

	Balance 1 April 2016	Incoming resources	Resources Expended	Investment Gain/(Loss)	Balance 31 March 2017
	£	£	£	£	£
Permanent endowed funds	704,932	44,517	(29,989)	5,844	725,304

11 Related party transactions

No remuneration directly or indirectly out of the funds of the Charity was paid or payable for the year to any trustee. Payments have been made to Monmouthshire County Council respect of management and administration expenses.

AUDIT COMMITTEE FORWARD WORK PROGRAMME

2017/18

11TH JANUARY 2018	
<i>Deadline for finalised reports to Cheryl –</i>	
<i>Finalised reports to Committee Section –</i>	
Treasury Strategy 2018-19	Jon Davies/Lesley Russell
Review of Reserves - Period 2	Mark Howcroft
Unsatisfactory Audit Opinions	Andrew Wathan
Information Management Review	WAO
Strategic Risk Assessment	Richard Jones
Asset Management Review	WAO
Wales Audit Office Proposals for Improvement Progress report	Richard Jones
Annual Whole Authority Complaints	Annette Evans
8TH MARCH 2018	
<i>Deadline for finalised reports to Cheryl –</i>	
<i>Finalised reports to Committee Section –</i>	
Joint Progress Report - Statement of Accounts Refinements	Mark Howcroft/WAO
Review of Reserves Qtr 3	Mark Howcroft
Internal Audit Progress report 2017/18 quarter 3	Andrew Wathan
Internal Audit Draft Plan 2018/19	Andrew Wathan
12TH APRIL 2018	
<i>Deadline for finalised reports to Cheryl –</i>	
<i>Finalised reports to Committee Section -</i>	
Annual Governance Statement 2017/18 Draft	Andrew Wathan
3RD MAY 2018	
<i>Deadline for finalised reports to Cheryl –</i>	
<i>Finalised reports to Committee Section</i>	
Review of Reserves Outturn	Mark Howcroft
Implementation of Audit Recommendations	Andrew Wathan
CPR Exemptions 6 monthly	Andrew Wathan

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 13, 14 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank