

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Audit Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 3rd March, 2016 at 2.00 pm**

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

County Councillors: D. Batrouni, G. Down, A. Easson, D. Edwards,
P. Jordan, B. Hayward, B. Strong, J. Prosser and V. Smith

OFFICERS IN ATTENDANCE:

Mark Howcroft	Head of Operations
Joy Robson	Head of Finance/Section 151 Officer
Andrew Wathan	Chief Internal Auditor
Kellie Beirne	Chief Officer, Enterprise
Julie Boothroyd	Head of Adult Services
Sally Thomas	People Management Lead
Anthony Ford	Wales Audit Office

APOLOGIES:

Councillors P. Clarke and P. Murphy

1. Declarations of Interest

There were no declarations of interest made by Members.

2. Declarations of Interest

There were no declarations of interest made by Members.

3. Public Open Forum

There were no members of the public present.

4. Minutes of the previous meeting

The minutes of the Audit Committee meeting dated 14th January 2016 were confirmed and signed by the Chairman. In doing so, the Chairman had agreed to write to the Passenger Transport Manager with a view to him providing the Audit Committee with a more formal report, at the next meeting, regarding reference to an unsatisfactory audit opinion relating to areas within the service.

5. Action List from the previous meeting

We received the Action List from the meeting held on 14th January 2016. In doing so, the following points were noted:

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Monmouthshire response to issues raised by a member of the public on 16th July 2015

The Chief Officer, Enterprise will present a report to the next Audit Committee Meeting regarding details of an appropriate response to a member of the public.

Early Departures and Vacant Posts

The Chairman would write to the Head of Commercial and People Development regarding the issue in respect of early departures and vacant posts with a request that a report on this matter be submitted to the next Audit Committee meeting for consideration. Any questions regarding this matter could be submitted in advance to the Head of Finance or directly to the Head of Commercial and People Development.

Unsatisfactory Audit Opinions – Monmouthshire Enterprises

The Head of Adult Services provided the Committee with the following information:

- This was now known as 'My Day, My Life'.
- The development fund was established when it was known as Monmouthshire Enterprises. However, the way it had been established had become unsatisfactory and had therefore been reviewed and the accounts had been frozen. Following the review the balances had been ready to be re-distributed and was no longer deemed unsatisfactory. The recommendations had been addressed and was now in order. The action had been completed.
- The Chief Internal Auditor informed the Committee that this matter would be incorporated into the planning process and would check that the matter has been addressed and would provide feedback to the next Audit Committee meeting.

6. Wales Audit Office - Certification of Grants and Returns 2014-15

We received a report by the Wales Audit Office regarding the Certification of Grants and Returns 2014-15 in respect of Monmouthshire County Council.

Members were informed that the administration of grants by Monmouthshire County Council, as revealed by the audit, was improving and the County Council was addressing the actions that had been identified, which in turn was reducing the Council's risk assessment.

We resolved to receive the report and noted its content.

7. Treasury Management Policy Statement & Strategy Statement, MRP Policy Statement and Investment Strategy 2016/17

We received a report in which Members were provided with details of the proposed annual Treasury Management Policy Statement and the Treasury Management Strategy Statement including the Investment and Borrowing Strategies for 2016/17 to

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2019/20 and the Minimum Revenue Provision (MRP) Statement for 2016/17 for deliberation by the Committee in advance of Full Council consideration.

Having received the report, the following points were noted:

- In response to a Member's question regarding the potential effects regarding this matter if the United Kingdom were to leave the European Union, it was noted that there would likely be some volatility going forward and it might change the Authority's attitude to risk.
- Future interest rates for borrowing were likely to rise by 0.5% next year with a potential rise in the longer term of between 1% and 1.5%. We would receive a warning before interest rates were likely to rise.
- In response to a Member's question regarding investment in Skutrade, the officer reported this should be regarded as a specific item of expenditure funded by reserves rather than a Treasury Investment of Council's surplus cash balances. It is only an investment in so far that the premise for the expenditure was that it would be repaid in the future, but to avoid any confusion this would not fall within an application of Council's approved Treasury management policy.
- In response to a Member's question regarding the Authority investing in properties to gain rental income from them, it was noted that this matter would require a sound business case to identify if this would be self-funding. To date, no details have been received regarding this matter.
- The Authority's Treasury advisers were shortly due to retender for this work. Further details would be available at the next Audit Committee meeting.

We resolved that the proposed Treasury Management Policy Statement for 2016/17 and proposed Treasury Management Strategy and Investment and Borrowing Strategies 2016/17 to 2019/20, including the Minimum Revenue Provision (MRP) Statement for 2016/17, be presented to Full Council for consideration together with the Treasury Limits, as required by section 3 of the Local Government Act 2003.

8. Audit Committee Work Programme

We received the Audit Committee Work Programme. In doing so, it was noted by a Committee Member that the County Council had identified that some budget mandate targets might not have been achieved and that these issues should be presented to Audit Committee for scrutiny.

The Chairman suggested that Member submits a notice of motion, with supporting information, to the next Audit Committee regarding the budget mandates in question, in order to agree a way forward.

We resolved to receive the report and noted its content.

The meeting ended at 3.00pm.

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