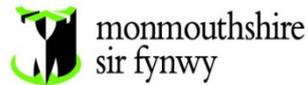


# Public Document Pack



County Hall  
Rhadyr  
Usk  
NP15 1GA

Wednesday, 16 May 2018

## Notice of meeting

### Audit Committee

Thursday, 24th May, 2018 at 2.00 pm,  
County Hall, The Rhadyr, Usk, NP15 1GA

### AGENDA

Item No	Item	Pages
1.	Election of Chair	
2.	Appointment of Vice Chair	
3.	Apologies for Absence	
4.	Declarations of Interest	
5.	Public Open Forum	
6.	To confirm minutes of the previous meeting held on 8th March 2018	1 - 8
7.	To note the Action List from 8th March 2018	9 - 10
8.	Audit Committee Annual Report 2017/18	11 - 16
9.	Unsatisfactory Audit Opinions	17 - 26
10.	Annual Governance Statement	To Follow
11.	Implementation of Internal Audit Recommendations	27 - 38
12.	Forward Work Programme	39 - 42
13.	To confirm the date and time of the next meeting as 5th July 2018	
14.	To consider whether to exclude the press and public from the meeting during consideration of the following items 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 Paragraphs 13	

<b>15.</b>	<b>and 14 of Part 4 of the Schedule 12A to the act (Proper Officer's view attached)</b> <b>Events Update</b>	<b>43 - 80</b>
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**Paul Matthews**  
**Chief Executive**

MONMOUTHSHIRE COUNTY COUNCIL  
CYNGOR SIR FYNWY

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

County Councillors:

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

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### Watch this meeting online

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### 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

## Our purpose

Building Sustainable and Resilient Communities

### Objectives we are working towards

- Giving people the best possible start in life
- A thriving and connected county
- Maximise the Potential of the natural and built environment
- Lifelong well-being
- A future focused council

## Our Values

**Openness.** We are open and honest. People have the chance to get involved in decisions that affect them, tell us what matters and do things for themselves/their communities. If we cannot do something to help, we'll say so; if it will take a while to get the answer we'll explain why; if we can't answer immediately we'll try to connect you to the people who can help – building trust and engagement is a key foundation.

**Fairness.** We provide fair chances, to help people and communities thrive. If something does not seem fair, we will listen and help explain why. We will always try to treat everyone fairly and consistently. We cannot always make everyone happy, but will commit to listening and explaining why we did what we did.

**Flexibility.** We will continue to change and be flexible to enable delivery of the most effective and efficient services. This means a genuine commitment to working with everyone to embrace new ways of working.

**Teamwork.** We will work with you and our partners to support and inspire everyone to get involved so we can achieve great things together. We don't see ourselves as the 'fixers' or problem-solvers, but we will make the best of the ideas, assets and resources available to make sure we do the things that most positively impact our people and places.



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# Public Document Pack Agenda Item 6

## MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held  
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 8th March, 2018 at 2.00 pm

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

County Councillors: A. Easson, P. Murphy, J.Watkins, M.Lane,  
S. Woodhouse and V. Smith

### **OFFICERS IN ATTENDANCE:**

Mark Howcroft	Assistant Head of Finance
Andrew Wathan	Chief Internal Auditor
Peter Davies	Chief Officer, Resources
Tracey Harry	Head of People and Information Governance
Will McLean	Chief Officer for Children and Young People
Wendy Barnard	Democratic Services Officer
Paul Keeble	Traffic and Network Manager
Stephen Baldwin	Project Engineer (Structures), Highway & Flood Management
Sian Hayward	Digital and Technology Manager
Richard Jones	Policy and Performance Officer
Nikki Wellington	Finance Manager

### **APOLOGIES:**

County Councillors P. Clarke, B. Strong and M.Feakins

#### **1. Declarations of Interest**

Item 10: County Councillor A. Easson declared a personal, non-prejudicial interest as a Governor of Ysgol Gymraeg Y Ffin.

#### **2. Public Open Forum**

#### **3. To confirm minutes of the previous meeting held on 11th January 2018**

The minutes of the previous meeting held on 11<sup>th</sup> January 2018 were confirmed as a true record.

#### **4. To note the Action List from 11th January 2018**

##### **• Implementation of Internal Audit recommendations:**

The Children and Young People Finance Manager attended the meeting to provide an update on implementation of audit recommendations in schools. It was explained that in respect of the thirty six outstanding audit recommendations not implemented, twenty five have now been implemented and one is no longer relevant. One recommendation is ongoing and four are partially implemented.

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 8th March, 2018 at 2.00 pm

Five recommendations involving two schools (Secondary and primary schools) remain not implemented. In the secondary school, two (concerning inventories and asset management) are ongoing and will be completed by the end of the academic year and one regarding the audit of the school's private fund is in progress with the school's auditor and will be returned to the school's Finance Committee very soon. The two in the primary school have both been completed and concerned school meals debt which is being addressed and goods purchase orders processes - training has been provided for the new administrator.

It was explained that CYP Finance Officers visit schools and check audit reports but don't test implementation of recommendations but will speak to the Headteacher to ensure progress. Additionally, three new business managers have been recruited to work in the four clusters. Part of their role is to undertake verbal checking and some sampling to ensure the recommendations are in place.

The Chair asked if there was any evidence or concerns that recommendations are not being taken notice of and it was responded that CYP Finance and Schools have a good relationship with Internal Audit. There is some evidence that some implementation has not been as quick as it should have been and this point has been fed back to Headteachers. The Chief Auditor explained that if there is an unfavourable opinion, Internal Audit will return in 12 months to check if the recommendation has been implemented. For a more positive opinion, a revisit takes place in 3/4 years.

In response to a question, it was confirmed that two of the three new business managers are internal appointments funded by a grant from Welsh Government. One works in the Chepstow cluster, one in the Abergavenny area and one covers both Caldicot and Monmouth. The role involves providing support and development for school administrators and headteachers and concentrating currently on procurement.

Effectiveness will be measured every 6/12 months using benchmark criteria currently being developed. It was also confirmed that schools are encouraged to seek advice from CYP Finance and Internal Audit.

- **Contract Procedure Rules:**

The Chair confirmed that as agreed, he had written to three managers regarding non-compliance with Contract Procedure Rules

- 1) Abergavenny Hub: The proposed work was withdrawn and the replacement work complied with the Contract Procedure Rules in terms of procurement.
- 2) The Project Engineer (Structures), Highway & Flood Management attended regarding a Parsons Brinckerhoff (Consultancy Framework) regarding the A466. A written reply was provided and the opportunity to expand on the response was offered. It was explained that there were ongoing problems on the A466 and Parsons Brinckerhoff consultancy was used for various works from 2012. In 2016 there was a failure of the carriageway which happened after the consultancy framework had ended and was replaced by the National Procurement Service. The work was over the direct award of up to £25,000 and it was decided, for continuity, to keep working with Parsons Brinckerhoff for the realignment work. The exemption form was applied for, completed and signed but was not sent back by oversight. A Committee Member appreciated the urgent nature of the work but added that where exemption to CPR is involved, it is necessary that processes are completed immediately. The Committee accepted the explanation of an oversight.
- 3) Roadworks in Abergavenny: The Group Engineer, Highway & Flood Management attended to provide an explanation for the work related to the Public Realm Works in Abergavenny. The exemption was for the contract for Phase 1 to be extended for Phase 2 decided

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 8th March, 2018 at 2.00 pm

because of the quality, specialism and nature of the work. Alan Griffiths (Contractors) Ltd was the clear winner of the initial tender process for Phase 1 and it was felt there were benefits in extending the contract, especially because of their early involvement. By oversight, and with apologies, a sequential number was not applied for before signatories were obtained. To resolve the position, training from Internal Audit has been arranged to improve CPR exemption processes in the future.

A Member commented that inviting managers to Audit Committee provided a timely reminder for Officers to sharpen CPR processes.

A query was raised if there was a means to short circuit the CPR if there were circumstances such as the good performance on Phase 1 and when it is clear who will win the Phase 2 tender. It was responded that clear evidence of lack of competition is needed in the public procurement arena. Additionally, it was observed that the wording of contracts can be tailored where there are several phases or to recognise performance. The Officer explained that, in this case, there was no certainty of grant funding for Phase 2. Had this been the case, the contract would have been worded accordingly.

The Local Member for the Abergavenny Public Realm commented that the people of Abergavenny were delighted with the work.

- **Review of Reserves:** this information was circulated on 23<sup>rd</sup> January 2018
- **Joint Progress Report:** At the last meeting it was asked if there is a national system of three links for data security. The Head of Digital and Agile responded that back up discs are kept in the SRS and reassured that they are duplicates of those sent across the network to the Civic Centre in Pontypool daily. The duplicates are only kept in the SRS for convenience in the event of the need to restore data. In the future the back- up will be stored in the cloud.

It was confirmed that there is only one SRS with secure data storage capacity to a high level in Wales. Confidence was expressed that our information is secure. A Member recalled a letter from the minister about the creation of 3 centres similar to SRS but it was thought this had not happened.

- **Forward Work Programme:** It was explained that the Borough Theatre will transfer back to the authority at the end of March and will operate in house with some assistance from the local community. The Chief Auditor will report in summary to Audit committee in due course.
- **Events:** see item 15 at end

#### **5. Information Management Review**

Wales Audit Officers (WAO) attended the meeting to introduce the report which was to assess the progress made in information management arrangements in addressing issues identified in previous reports. It was concluded that arrangements were adequate but some need strengthening before the benefits can be realised. Officers were thanked for their interaction and engagement during the process.

The Head of People & Information Governance welcomed the WAO report and the commentary was accepted. The five proposals are fully accepted (1 and 3 are already completed). Regarding 4, it was noted that the Officer, following a management restructure, retains the Senior Information Risk Owner (SIRO) role but is not now a member of the Senior Leadership Team. However, she provided assurance that she had sufficient independence and seniority to challenge information governance.

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 8th March, 2018 at 2.00 pm

Regarding Public Sector Network (PSN), two items remain outstanding but are in hand and it is hoped to resubmit the application in May.

With regard to policies and processes, compliance with the General Data Protection Regulation (GDPR) is in progress.

It was confirmed that the Chief Executive would take responsibility for PSN accreditation and SIRO. It was agreed that the Audit Committee can be notified when the PSN application is completed, its success or need for resubmission.

The Committee noted the report.

#### **6. MCC Audit Plan 2018**

Wales Audit Officers presented the 2018 Joint Audit Plan and explained that the plan covers the audit of financial statements and performance audit.

In summary the following points were highlighted:

- Joint Progress Report: the outstanding recommendations will be revisited for compliance.
- City Deal will have a separate, central audit team but transactions appearing in our accounts involving Monmouthshire and the City Deal will be audited. Monmouthshire will have some responsibility for transactions on behalf of City Deal and it was noted that these will sit outside of the Council's accounts.
- Performance Management: changes to timetables will impact requiring faster closure of accounts and WAO will be working with the Finance Team to deliver this.
- Audits for Monmouthshire Farms Endowment Trust Fund and Welsh Church Fund accounts.
- Performance relating to national studies.
- Grants Claims work claimed from other agencies.
- WAO fees will be kept under review so that only work carried out is charged for. Refunds will be issued as necessary for example there will be less grant claims to audit.

The Chief Officer, Resources reported that the Council works closely and well with the WAO each year to co-ordinate efforts and resources.

A Member sought clarity in regard to the Joint Progress report that noted "vehicle additions not reflected in Fixed Assets; and disposed vehicles included in Fixed Assets". WAO Officers explained that this point was related to uncertainties at the time of the review regarding purchasing or leasing vehicles, also there was a time lag in the amendment of the register which did not record vehicles disposed of.

A Member questioned how the pension scheme is administered. It was responded that pensions are not included in the plan as there is a Gwent wide pension scheme which is audited accordingly. It was explained that there are moves towards an all Wales approach. The Assistant Head of Finance provided further information that Torfaen County Borough Council administrates the old Gwent region pension fund.

The WAO Officer commented on the performance work mentioned in the plan and advised that work will be carried out on the Wellbeing of Future Generations Act 2015. Some thematic work

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 8th March, 2018 at 2.00 pm

will be carried out but linked to national studies. WAO will discuss with the Council which elements will be covered.

The Policy and Performance Officer drew attention to Appendix 2 exhibit 9 and the outstanding work on the work programme. Progress will be reported to Audit Committee.

The Audit Committee noted the joint plan.

#### **7. Certification of Grants and Returns**

WAO Officers presented the Grants annual report.

In summary, it was explained that:

- WAO had certified claims worth £75m, and of these half were submitted on time. Those that were not on time missed the deadline by a few days only. This work cost £65,000. In net terms £124,000 less was claimed.
- One claim was **qualified** due to an ongoing police investigation. The Assistant Head of Finance explained that the police investigation was confirmed, and that there was an allegation of fraud which was raised in the return of review information to the WAO and it was added that the information was not available to us at the time of making the claim.
- In terms of timing, it was explained that some claims were a little late due to staff sickness absence and cover arrangements. It was agreed that the return date for forms would be reviewed and WAO contacted to see if there is any flexibility in extenuating circumstances.

It was emphasised that the change to review and certification processes for individual grants will result in less work going forward.

The Committee noted the report.

#### **8. Wales Audit Office Proposals for Improvement Progress Report**

The Policy and Performance Officer summarised the report and concluded by inviting questions.

Members acknowledged the comprehensive nature of the report commenting that it was a lot of work.

A Member asked for an update regarding the former Park Street School, Abergavenny which is a community facility run by the local community. The use of plain, accessible language in the report was welcomed. The Cabinet Member for Resources responded that the arrangement is working well and it is planned to continue.

Members were reminded that they can raise any matter by making a motion in advance. This approach ensures that appropriate and accurate responses can be provided.

The Local Member for Park Street updated that the community group is currently in discussion about the lease.

The recommendations in the report were agreed as follows:

- That members consider the current position of proposals and future actions being taken in response and identify any areas where they feel further action is needed.

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 8th March, 2018 at 2.00 pm

- That members refer on any issues contained within national studies to other committees for consideration where they identify there are findings of particular relevance to the council.

#### **9. Internal Audit Draft Plan 2018/19**

The Chief Officer presented the Draft Annual Plan 2018/19 which defines the work that will be undertaken by the Audit Team in the coming Year. The Appendix provides a detailed list by directorate of the audit work required but days have not been allocated at this point whilst priorities are determined. Nearly 900 days are available to be allocated. A further updated plan will be presented in May.

County Councillor A. Easson declared a personal, non-prejudicial interest as a Governor of Ysgol Gymraeg Y Ffin.

A Member referred to high risk elements in the plan and questioned, under Resources, if they were high value investment property acquisitions. The Chief Officer, Resources explained that the Council is in the process of developing a commercial strategy to sit alongside the asset management plan which will include an asset investment policy. Estates will work to identify suitable investments working with Finance and Internal Audit to ensure a robust approach to risk management and due diligence. A report to Council, preceded by scrutiny, will follow in May. A first draft has been considered by the Economy and Development Select Committee.

The Member asked if the council is looking to invest in high risk property and land. The Chief Officer, Resources, responded that there would be no investment in high risk property and land, only safe investment. The Chief Auditor gave the audit perspective, that its role is to ensure compliance with rules of sound financial management after the event but also to scrutinise the implementation of new systems. Audit will be working with the Chief Officer to determine the scope of this subject and this will be reported back in due course.

The recommendation that the Audit Committee reviews, comments on and shapes the early Draft Audit Plan with a view to receiving a more detailed plan by the end of the 1st quarter for approval was noted.

#### **10. Internal Audit Progress Report 2017/18 quarter 3**

The Chief Auditor summarised the Quarter 3 regular report on the performance of the Internal Audit Team to December 2017.

It was noted that the team added value by providing advice to operational managers. Considering the work finalised, assurances were given that team members' work has been completed but the review process has been delayed due to several sensitive special investigations that have taken up the time of the Chief Auditor and Audit Manager.

Feedback received is that clients have been pleased with the work undertaken. External review of Internal Audit's self-assessment is being undertaken by Neath Port Talbot. The outcome of this peer review will be presented to the Audit Committee in full.

A Member noted the number of special investigations and questioned if it would be possible to consider reducing the number of audits undertaken to align to capacity in the team to improve efficiency. The Chief Officer explained that it is preferable to complete as many opinion related audits as possible and allowance for special investigations is made in the planning process – e.g. an external person of suitable calibre has been engaged to relieve pressure on what is likely to be a lengthy special investigation, and will allow completion of more of the plan.

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 8th March, 2018 at 2.00 pm

It was confirmed that there are currently 5.4 staff reduced from a maximum staff of 12 in 2005.

The Committee accepted the progress report and noted the opinions awarded.

#### 11. Forward Work Programme

The updated Forward Work Programme was noted.

#### 12. To confirm the date and time of the next meeting as Thursday 12th April 2018 at 2.00pm

#### 13. To consider whether to exclude the press and public from the meeting during consideration of the following items 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 Paragraphs 13 and 14 of Part 4 of Schedule 12A to the Act (Proper Officer's view attached)

The Committee resolved to exclude the press and public from the meeting during consideration of the following items 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 Paragraphs 13 and 14 of Part 4 of Schedule 12A to the Act (Proper Officer's view attached)

#### 14. Events

This matter was deferred until the next meeting.

**The meeting ended at 3.45 pm**

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# Agenda Item 7

## Audit Committee Actions 8<sup>th</sup> March 2018

<b>Agenda Item:</b>	<b>Subject</b>	<b>Officer</b>	<b>Outcome</b>
17	Excluded item: Unsatisfactory Audit Opinions - Events	Andrew Wathan	Exempt report to be presented at the next meeting to provide further details to enable the minutes to be agreed. This action was deferred until the meeting on the 12 <sup>th</sup> April 2018

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**DRAFT**



**SUBJECT:           AUDIT COMMITTEE  
                          ANNUAL REPORT 2017/18**

**DIRECTORATE: Resources  
MEETING:           Audit Committee  
DATE:                May 2018  
DIVISION/WARDS AFFECTED: All**

## **1.     PURPOSE**

To present the Chair of the Council's Audit Committee's Annual Report for 2017/18.

## **2.     RECOMMENDATION(S)**

On behalf of the Audit Committee I submit this annual report for 2017/2018 for consideration by the Council. I believe that it shows that, over this period, the Committee has fulfilled its role as defined in terms of reference.

The report shows that the workings of the Committee continue to be both valuable and productive and that it provides assurance to the Council regarding the Committee's activities in the effective governance of financial affairs and other matters by the Authority.

## **3.     REASONS**

**3.1**   The Council's Audit Committee has responsibility for ensuring that there are procedures in place to guarantee the adequacy and effectiveness of financial control and corporate governance arrangements.

The terms of reference are:

- To review and scrutinize the Authority's financial affairs
- To make reports and recommendations in relation to the Authority's financial affairs
- To review and assess the risk management, internal control and corporate governance arrangements of the Authority
- To make reports and recommendations to the Authority on the adequacy and effectiveness of those arrangements

- To oversee the Authority's internal and external audit arrangements
- To review the financial statements prepared by the Authority

**3.2** The Committee consists of 11 councillors and includes one lay member (co-opted) who is not a councillor. During 2017/18, the lay member was the Chair of the Audit Committee, as in previous years. The Committee's main responsibilities include:

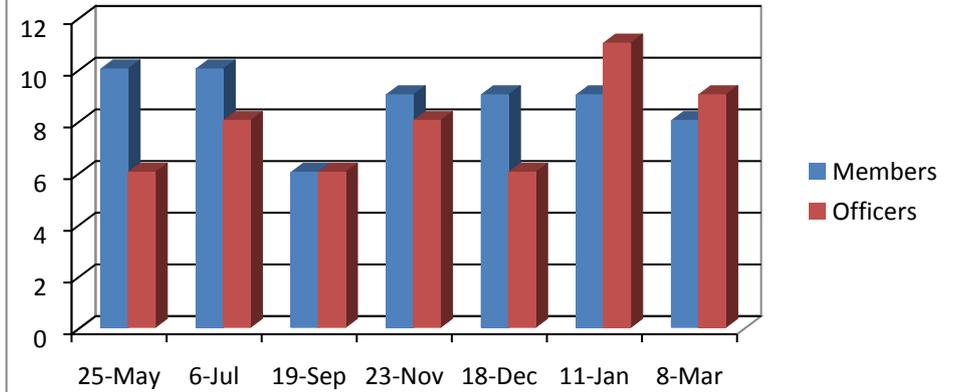
- Approving the internal audit strategy, plan & performance
- Review internal audit reports and seek assurances of change where required
- Consider the reports of external audit and inspection agencies
- Consider the effectiveness of the Authority's risk management arrangements
- Maintain an overview of the Council's Constitution in respect of contract procedure rules and financial regulations
- Make recommendations, as appropriate, to Cabinet and Council on any matters reported through the Audit Committee.

**3.3** The terms and conditions of the Audit Committee are set out in the Council's Constitution amended and agreed by Council in September 2014 which are in accordance with the Local Government (Wales) Measure (2011).

**3.4** The Audit Committee is supported by Democratic Services with the Head of Finance and Chief Internal Auditor in attendance at all meetings. External Audit (The Wales Audit Office) are invited to all meetings. During 2017/18 the Council's Audit Committee formally met 7 times, with all meetings being quorate. The Wales Audit Office was represented at 6 meetings.

Audit Committee meetings 2017/18
25 <sup>th</sup> May 2017
6 <sup>th</sup> July 2017
19 <sup>th</sup> September 2017
23 <sup>th</sup> November 2017
18 <sup>th</sup> December 2017
11 <sup>th</sup> January 2018
8 <sup>th</sup> March 2018

## Number of Members/ Officers in Attendance



**3.5** Regular reports were received and endorsed by the Audit Committee throughout the year. All Members contributed to the challenge process where officers were held to account for improving identified systems weakness. Members contributed positively to the process and took the responsibility of being on the Audit Committee seriously.

**3.6** A standard agenda item for the Audit Committee is an Action List, where named officers are responsible for updating the Committee on previous matters discussed or questions raised. This ensures appropriate responses are received and accepted by the Committee on issues they felt were important enough to challenge and hold officers to account.

### **Terms of Reference: To oversee the Authority's internal and external audit arrangements**

**3.7** Reports were received and considered from the Wales Audit Office (WAO). MCC officers were asked to provide responses where appropriate, and Members of the Committee sought assurances on the process of External Audit. Papers presented included:

- Savings Planning and MCC management response
- Good Governance when Determining Significant Service Changes and MCC management response
- Draft and Audited Statement of Accounts 2016/17
- WAO Audit of Financial Statements 2016/17
- Annual Improvement Report 2016/17
- Audit of Monmouthshire County Council's Assessment of 2016/17 Performance
- Review of Asset Management
- Joint Progress Report Statement of Accounts Refinements
- Information Management Review
- 2018 Audit Plan
- Certification of Grants and Returns 2016/17
- Audited Trust Funds Accounts (Welsh Church Fund and Monmouthshire Farm School Endowment Trust Fund)

**3.8** The Internal Audit Outturn reports and the annual plans for 2017/18 and 2018/19 were presented to and endorsed by the Committee. Members challenged the performance of the Internal Audit Team and robustness of the planned work in order to satisfy themselves that they were being provided with adequate assurances on the adequacy of the Council's internal control environment and that public money was being used effectively, efficiently and economically. Members challenged the information provided to ensure continual improvement.

**3.9** Reports presented for consideration included:

- Internal Audit (IA) Reports on Unfavourable Audit Opinions
- IA Outturn Report on 2016/17
- IA Plan 2017/18 and 2018/19 (draft)
- IA Quarterly Progress Reports
- Contract Procedure Rules and Exemptions
- Implementation of Internal Audit Recommendations

**Terms of Reference: To review and assess the risk management, internal control and corporate governance arrangements of the Authority**

**3.10** The Committee continues to have an opportunity to comment on and shape the Annual Governance Statement before it is included with the finalised Annual Statement of Accounts.

**3.11** A report on the Whole Authority Complaints, Comments and Compliments 2016/17 was considered and accepted in January 2018.

**3.12** During the year, the Policy and Performance Manager provided reports for the Committee's consideration. These were:

- An overview of the Council's Performance Management arrangements
- Progress reports on WAO Proposals for Improvement
- Progress on implementing the Well Being of Future Generations Act
- Strategic Risk Assessment

**3.13** In September MCC managers provided the Committee with an account of the Authority's revised information strategy.

**3.14** In November the Head of Operations provided the Committee with a report on the implementation of the Action Plan with regard to Kerbcraft approved by Council in March 2017 and an account of the performance measures which were in place.

**3.15** The Chief Internal Auditor presents six monthly progress reports on previously issued unfavourable audit opinions. The intention of these reports is to provide assurance to the Committee that previously identified system weaknesses have been appropriately addressed and improvements made by

the operational managers. Where unsatisfactory or very little progress had been made by the operational manager then the Committee, via the Chairman, will invite the operational manager and relevant Head of Service to attend the Audit Committee where Members will hold them to account for future improvements. In accordance with this policy, the Council will want to note the following:

- The Head of Operations attended the meeting held on 6 July to answer question regarding IA findings in the management of car parking income.
- Following a second unfavourable audit opinion on the management of Events (presented in November 2017 as a follow up to a report issued in March 2017) the Committee first considered the issues at the meeting of 23 November and subsequently at a special meeting held on 18 December. Officers attended both meetings and answered Committee members' questions and provided further information. Detailed information is exempt from public disclosure on grounds provided in accordance with Schedule 12A of the Local Government Act 1972 – Exemption from Disclosure of Documents.
- Officers from the Children and Young People Directorate attended the Committee meeting of 8 March 2018 to answer questions on IA recommendations which had not been implemented across a number of schools.

**3.16** The Audit Committee also received a six monthly update from the Chief Internal Auditor on applications for exemptions from the Council's Contract Procedure Rules. The Contract Procedure Rules exist to ensure that the Authority operates a fair, consistent and effective procurement policy to procure works, goods and services on behalf of the Council and to minimise allegations of fraud and corruption against managers. Although exemptions are permissible, Members were given the opportunity to challenge officers where they felt the reasons given were not justifiable. The Council may wish to note the following:

- An application was made for exemption for work described as 'Extension to contract with Alan Griffiths for construction work, phase 2 of the Abergavenny Public Realm scheme' with a value given as £300,000. IA notified the Committee that the correct procedures did not appear to have been followed. The Committee asked the responsible officer to attend to appraise the committee of the need for the exemption and to reassure the Committee that no significant breach of procurement rules had occurred.
- Similarly, the Committee asked the responsible officer to attend as there were concerns about work described as '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' with a value of £37,000.'
- Committee concerns about work described as 'Redesign work to establish new Abergavenny Community Hub at Town Hall' (£99,600) were resolved through correspondence.

**Terms of Reference: To review the financial statements prepared by the Authority**

**3.17** The Committee is asked to consider the Council's Statement of Accounts prior to and following the external audit of them; the draft accounts were presented in July with the final audited accounts in September. In addition the Committee received the annual accounts of Monmouthshire County Council Welsh Church Act Fund and the Monmouthshire Farm School Endowment Trust Fund.

**3.18** The Treasury Outturn Report 2016/17 was presented and noted by the Committee in July with a mid year Treasury Report for 2017/18 presented in November.

**3.19** Treasury Strategy (including strategy for investment of resources) was the subject of papers presented to the Committee in January 2018.

**3.20** The Committee receives quarterly reports on the monitoring of reserves.

**Committee Training and Development**

**3.21** As a new Audit Committee was constituted in 2017, training in finance and auditing procedures became an important part of the Committee's activities, both for new and continuing Members. During 2017/18 the following activities took place:

- Introductions to the Audit Committee and the role of Internal and External Audit, Performance and Risk Management, provided by MCC finance officers (May)
- Self assessment by Committee Members on Skills Levels was carried out prior to the November meeting at which:
- Treasury Management Training was provided to members by the treasury consultants Arlingclose (November)

**4 RESOURCE IMPLICATIONS**

None.

**5 CONSULTEES**

Chief Internal Auditor.

**6 RESULTS OF CONSULTATION:**

Report agreed.

**7 BACKGROUND PAPERS**

Audit Committee Minutes 2017/18

**8 AUTHOR AND CONTACT DETAILS**

Philip White, Chair, on behalf of the Audit Committee



**SUBJECT: INTERNAL AUDIT SECTION  
PROGRESS REPORT ON UNFAVOURABLE  
AUDIT OPINONS**

**DIRECTORATE: Resources  
MEETING: Audit Committee  
DATE: 24<sup>th</sup> May 2018  
DIVISION/WARDS AFFECTED: All**

## 1. PURPOSE

To update Members on the progress of unfavourable (Unsatisfactory / Unsound/Limited Assurance) audit opinions issued since 2012/13 by the Internal Audit team. The previous update was presented to Audit Committee in January 2018.

## 2. RECOMMENDATION(S)

2.1 That the Audit Committee note the improvements made by service areas following the original unfavourable audit opinions issued.

Or

2.2 That if the Members of the Audit Committee are concerned about any of the audit opinions issued or lack of improvement made after the follow up audit review, consideration be given to calling in the operational manager and the Head of Service to provide justification for lack of progress and hold them to account for future improvements.

## 3. KEY ISSUES

3.1 The number of unfavourable audit opinions issues by Internal Audit is not that significant compared to the total number of audit opinions issued in any one year, but nonetheless, they are issued where serious weaknesses in internal control have been identified.

3.2 All of the systems / establishments issued with an unfavourable audit opinion originally which have been followed up, have improved to some extent prior to the audit team undertaking a follow up review. The majority of reviews were given a more favourable opinion which recognises that issues identified originally were subsequently addressed by management.

3.3 During 2015/16 the audit opinions were reviewed to better reflect the level of assurance that could be gained from the review of internal controls in operation. The new audit opinions in use from April 2016 are Substantial, Considerable, Reasonable, Limited; the definitions of which are shown at Appendix 1.

#### 4. REASONS

4.1 The audit opinions previously used within the team were introduced into the audit reports at the beginning of 2008/09 and are as set out in Appendix 2. The opinion gives an indication of the adequacy of the internal control environment of the system or establishment under review. During the audit planning process the reviews are risk assessed as High, Medium or Low.

4.2 The previous report was presented to Audit Committee January 2018; this information is updated and presented to Audit Committee on a six monthly basis.

4.3 The following unfavourable audit opinions have been issued since 2012/13:

	Unsatisfactory	Unsound
2012/13	2	0
2013/14	0	0
2014/15	6	0
2015/16	7	0

	Limited (Assurance)
2016/17	8
2017/18	8

4.4 In 2013/14, no audit reports were issued with an Unsatisfactory or Unsound audit opinion. The team did audit some grant claims during the year; one of which resulted in a qualified audit opinion being issued.

4.5 In 2014/15, 6 audit reports were issued with an Unsatisfactory audit opinion:

- a) Passenger Transport Unit
- b) Procurement - Off Contract Purchasing
- c) Llandogo Primary (13/14) – Revised opinion issued in August 2015 was Reasonable
- d) Chepstow School (13/14)
- e) Llanfair Kilgeddin Primary School – school subsequently closed
- f) Monmouthshire Enterprises

4.6 In 2015/16, 7 audit reports were issued with an Unsatisfactory audit opinion, 4 of which were carried forward from 2013/14 and 2014/15;

	Assignment	Risk H/M/L	Rating	Revised Opinion	Date Issued
2015/16	Procurement Cards	Medium	Unsatisfactory	Reasonable (Draft)	December 2017
	Magor Primary	Low	Unsatisfactory	Reasonable	March 2017
	Markets	Medium	Unsatisfactory	Reasonable (Draft)	March 2018
	Passenger Transport Unit (14/15)	Medium	Unsatisfactory	Reasonable (Draft)	March 2018
	Procurement - Off Contract Purchasing (14/15)	Medium	Unsatisfactory	Reasonable	March 2018
	Chepstow School (13/14)	Medium	Unsatisfactory	Considerable (Draft)	September 2017
	Monmouthshire Enterprises (Social Care) (14/15)	Medium	Unsatisfactory	2018/19	

4.7 Ideally these audit reviews will be followed up by the audit team within 9 to 12 months of the final report being issued to ensure that action has been taken to address the weakness identified. Some delays may have arisen as a result of the operational manager deferring the follow up audit. These reviews will be followed up in 2017/18.

4.8 During 2016/17, 8 reports were issued with a **Limited** opinion. This is the equivalent of the previous Unsatisfactory opinion. These were as follows:

	Assignment	Risk H/M/L	Rating	Revised Opinion	Date Issued
2016/17	School Meals (Final)	Medium	Limited	Reasonable	March 2018
	Ysgol Y Ffin Primary School	Low	Limited	Reasonable	March 2018
	Events (Final)	Medium	Limited	Limited	March 2018
	HR Policy Review	Medium	Limited	2018/19	
	External Placements	Medium	Limited	2018/19	
	Compliance with Bribery Act	Medium	Limited	Limited	March 2018
	Mobile Phones	Medium	Limited	2018/19	
	Volunteering	Medium	Limited	2018/19	

- 4.9 The audit review of the Events provision resulted in a second consecutive **Limited** audit opinion. The Audit Committee Members agreed to call the senior managers responsible for this service into Audit Committee which they did at a recent Audit Committee meeting in December. Senior Managers provided assurances that, should the Events programme be run on such a large scale again, significant improvements in the control environment would be made. Due to the confidential nature of some of the discussion this matter will be reported separately at Audit Committee.
- 4.10 Members will also note that the follow up audit of Compliance with the Bribery Act has also resulted in a consecutive **Limited** assurance audit opinion. Members should consider calling in the respective Head of Service responsible for this matter in order for assurances to be received that improvements with compliance will be made moving forward.
- 4.11 For the Limited audit opinions issued during 2016/17, the main issues have previously been reported to Audit Committee.
- 4.12 During 2017/18, 8 reports were issued with a **Limited** opinion. These were as follows:

	Assignment	Risk H/M/L	Rating	Revised Opinion	Date Issued
<b>2017/18</b>	Borough Theatre Trust	High	Limited		
	Raglan Primary School	Medium	Limited		
	Youth Service (Draft)	Medium	Limited		
	Events Follow-Up	High	Limited		
	Fuel Cards	Medium	Limited		
	Food Procurement (Draft)	High	Limited		
	Health & Safety (Draft)	Medium	Limited		
	Compliance with Bribery Act Follow-Up (Draft)	High	Limited		

4.13 The Main issues were:

**a. Borough Theatre Trust**

Previously reported.

**b. Raglan Primary School**

Previously reported.

**c. Youth Service**

- Management and cash handlers were unaware of and not compliant with the Authority's Financial Procedure Rules;
- There was inappropriate sign-off of grant claims;
- Term time staff were not receiving annual leave as per contractual rights;
- The existence of a separate bank account outside of MCC arrangements and operated with a lack of suitable control; and
- Lack of approval, risk assessments and consent information for trips.

**d. Events Follow-Up**

- This matter will reported separately at Audit Committee due to the confidential aspect.

**e. Fuel Cards**

- Tendering information could not be obtained for the Fuel Cards procurement exercise which resulted in the contract being awarded to Arval in 2009, and no subsequent tender has been undertaken since.
- MCC were using the NPS contract in part, however, no signed contract was available for this showing both parties' responsibilities. A signed agreement did exist for the Allstar Fuel Cards, however this was a credit agreement rather than a contract; this did not contain relevant detail and had not been revisited since 2009.
- Evidence was not retained for the ordering of fuel cards confirming budget holder approval and no application process existed.
- No monitoring occurs to ensure the most cost effective fuelling stations are used by card holders.

**f. Food Procurement**

- There was no overall responsible officer for food procurement, across the organization as a whole.

- There was no officer responsible for the oversight and monitoring of food procurement.
- For the sample, tested, awareness of approved food suppliers amongst was inconsistent and knowledge incomplete.
- Off framework spend was routinely undertaken via supplier invoice and using petty cash. Purchases include higher risk food such as fresh meat, frozen, dairy and groceries.
- For the sample of frameworks tested, the Authority did not hold evidence of pre-checks and on-going monitoring undertaken by third parties. Additionally, evidence of any in-house pre-checks of a supplier was not retained where the Authority was the lead.
- For the sample of staff contacted, there was a lack of awareness about the need to perform appropriate vetting to due diligence checks on a food supplier before buying from them. There was lack of clarity about staff roles and responsibilities in terms of pre-checks and on-going quality assurance.
- No evidence that contracts were in place between the Authority and its food providers.
- Lack of evidence, in the case of “off framework” providers, to show that the Authority has complied with the Pennington report recommendation.

**g. Health & Safety**

- There was no Health and Safety Strategy in place in MCC.
- Evidence of health and safety training needs analyses were not available at the time of the audit.
- Reportable incidents were not always escalated to the HSE in a timely manner.

**h. Compliance with Bribery Act – Follow Up**

- Managers should ensure that all staff who are new to the Authority attend the corporate induction training provided on a timely basis – not implemented.
- Periodic risk assessments should be undertaken to evaluate the Authority’s exposure to the risk of bribery and to highlight particular areas of risk within the Authority. The frequency, scope and responsibility for carrying out this process should be included in the Anti-Fraud and Corruption Policy document.
- An Authorised Signatory List should be maintained detailing approval levels for individual officers against cost codes. All approval of purchases or

awarding of contracts should be performed in agreement with this list. – not implemented.

- 4.14 As part of all audit reviews, the issues identified at the previous audit are followed up to ensure that they have been adequately addressed, which should provide assurance on the effectiveness of the internal control environment for that particular service, system or establishment.

## **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. RESOURCE IMPLICATIONS**

None.

## **7. CONSULTEES**

## **8. BACKGROUND PAPERS**

Audit management Information 2013/14, 2014/15, 2015/16, 2016/17, 2017/18

## **9. AUTHOR AND CONTACT DETAILS**

Andrew Wathan, Chief Internal Auditor

Telephone: x.4243

Email: [andrewwathan@monmouthshire.gov.uk](mailto:andrewwathan@monmouthshire.gov.uk)

**Internal Audit Opinions (wef 2016/17)**

<b>SUBSTANTIAL</b>	Substantial level of assurance. Well controlled although some minor risks may have been identified which require addressing.
<b>CONSIDERABLE</b>	Considerable level of assurance. Generally well controlled, although some risks identified which should be addressed.
<b>REASONABLE</b>	Reasonable level of assurance. Adequately controlled, although risks identified which could compromise the overall control environment. Improvements required.
<b>LIMITED</b>	Limited level of assurance. Poorly controlled, with unacceptable levels of risk. Fundamental improvements required immediately.

The table below summarises the ratings used during the reviews:

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

**Previous Audit Opinions**

Each report contains an opinion which is an overall assessment of the control environment reviewed. The full list of audit opinions used is shown below:

<b>Opinion</b>	<b>Description</b>
<b>VERY GOOD</b>	Very well controlled with minimal risk identified; a few minor recommendations.
<b>GOOD</b>	Well controlled although some risk identified which needs addressing.
<b>REASONABLE</b>	Adequately controlled although some risks identified which may compromise the overall control environment.
<b>UNSATISFACTORY</b>	Not very well controlled; unacceptable levels of risk identified; changes required urgently.
<b>UNSOUND</b>	Poorly controlled; major risk exists; fundamental improvements are required with immediate effect.

**Recommendation Ratings**

Each recommendation contained within the Internal Audit report has a 2 part priority rating. The number refers to Internal Audit assessment attached to the relevant weakness identified, whilst the letter relates to the urgency with which we believe the recommendation should be implemented (see tables below).

<b>Rating</b>	<b>Assessment of the Weakness Identified</b>
1	Fundamental weakness.
2	Highly significant weakness.
3	Significant weakness.
4	Minor weakness.

<b>Rating</b>	<b>Proposed Timescale for Implementation</b>
A	Should be actioned immediately
B	Should be implemented as soon as possible but within 3 months.
C	Ongoing requirements or within 12 months.



**SUBJECT: IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS – 2016/17**

**DIRECTORATE: Chief Executive**  
**MEETING: Audit Committee**  
**DATE: 24 May 2018**

**DIVISION/WARDS AFFECTED: All**

## 1. PURPOSE

To receive and consider the progress operational managers have made against implementing Internal Audit recommendations made in reports issued during 2016/17.

## 2. RECOMMENDATION(S)

That the Audit Committee consider this report, identify any concerns of non-implementation of audit recommendations and where appropriate consider calling-in any managers for further explanation as to why the implementation of actions has not been as productive as expected. Overall, non-implementation of audit recommendations has not led to a significant risk to the Council.

## 3. KEY ISSUES

- 3.1 The Chief Internal Auditor has to give an overall opinion on the adequacy of the internal control environment operated within the systems and establishments of Monmouthshire County Council. This is based on the opinions given on individual audit jobs undertaken as per the agreed annual audit plan.
- 3.2 Each audit opinion is based on the strengths and weaknesses identified during the course of each audit; definitions of which are shown at Appendix A. Where weaknesses in control have been identified an audit recommendation is made in order to improve the internal control environment which should lead to an overall improvement of service provision or the financial stewardship of the area audited.

- 3.3 Generally operational management agree with the audit recommendations made and agree to implement the action required to make the improvements. In 2015/16 97% of audit recommendations were agreed by operational managers. In 2016/17 96% were agreed.
- 3.4 In order to verify that improvements have been made in the financial stewardship within service areas that have been audited, the Internal Audit team has to check that the agreed actions have actually been implemented by service / operational managers. The Team therefore undertake follow up audit reviews to ensure this is done within 6 to 12 months after the final audit report has been issued.
- 3.5 In 2017/18 all 2016/17 audit reports which were finalised were followed up.
- 3.6 Due to limited resources within the Internal Audit Team not all audit recommendations could be physically followed up. Although some audits were followed up by the Internal Audit team and evidence tested to ensure that agreed actions had been implemented, for the majority there was significant reliance on the operational managers' honesty in providing an update on the progress of the implementation of agreed actions back to the Internal Audit Team.
- 3.7 For the audits relating to this period there were 25 audit jobs which included 127 audit recommendations. 87 (69%) audit recommendations had been implemented, 25 (20%) had not been implemented, with 8 (7%) partially implemented or were ongoing. 6 (5%) of the agreed audit recommendations were considered no longer relevant. This is shown at Appendix B.
- 3.8 The 25 individual audit jobs are shown at Appendix C which identifies the number of implemented audit recommendations along with the status of those that weren't.
- 3.9 Appendix D shows the recommendations implemented per categorisation. Where the Audit team identify a weakness, the significance of it is categorised by a rating. Previously these were rated as 1 (most significant), 2, 3 or 4 weaknesses; more recently these are rated as significant (red), moderate (amber) or minor (yellow) and are colour coded within reports. There were no 1 rated weaknesses identified in the 2016/17 reports; although not all of the agreed recommendations had been implemented this did not result in a significant risk to the Council.
- 3.10 Within the 2016/17 audit reports, there were a mix of weakness due to the timing of finalising reports. 12 significant weaknesses were identified; 58% (7) of which had been addressed by implementing the appropriate action. This left 25% (3) significant weaknesses not addressed.

- 3.11 As a summary, Appendix E shows the status of audit recommendations per directorate.

#### **4. REASONS**

- 4.1 Part of Internal Audit's responsibility is to provide assurances to senior management that there are sound processes in place across all service areas to ensure effective, efficient and economic use of public money and to safeguard the assets of the Council. Audit reviews are undertaken to check what controls are actually in place to ensure this against what are expected to be in place.
- 4.2 The Internal Audit Team's work helps to ensure appropriate internal controls, governance arrangements and risk management processes are in place.
- 4.3 Where weaknesses in process or procedure are identified an audit recommendation is made in order to improve the situation.
- 4.4 Although the implementation of agreed actions to address weaknesses identified during the audit review will improve financial management, service provision and governance arrangements, the fact that not all of the recommendations made have been implemented does not represent a significant risk to the Council.

#### **5. RESOURCE IMPLICATIONS**

None.

#### **6. CONSULTEES**

Head of Finance

#### **7. BACKGROUND PAPERS**

Annual Outturn 2015/16 & 2016/17  
Public Sector Internal Auditing Standards  
Internal Audit Management Information System

#### **8. AUTHOR AND CONTACT DETAILS**

Andrew Wathan, Chief Internal Auditor  
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Email: [andrewwathan@monmouthshire.gov.uk](mailto:andrewwathan@monmouthshire.gov.uk)



**Definitions of Internal Audit Opinions Used**

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

The tables below summarise the ratings used during the review

RATING	RISK DESCRIPTION	IMPACT	TOTAL IDENTIFIED DURING REVIEW
1	Significant	(Significant) – Major / unacceptable risk identified. Risk exist which could impact on the key business objectives. Immediate action required to address risks.	
2	Moderate	(Important) – Risk identified that requires attention. Risk identified which are not business critical but which require management 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.	

Previous opinion definitions:

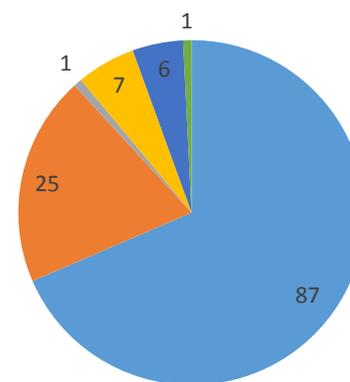
Opinion	Description
Very Good	Very well controlled with minimal risk identified; a few minor recommendations
Good	Well controlled although some risk identified which needs addressing
Reasonable	Adequately controlled although some risks identified which may compromise the overall control environment
Unsatisfactory	Not very well controlled, unacceptable levels of risk identified; changes required urgently
Unsound	Poorly controlled, major risk exists; fundamental improvements are required with immediate effect

# Recommendations by Status 2016/17

Row Labels	Count of Audit Title	
Implemented	87	69%
Not implemented	25	20%
Ongoing	1	1%
partially implemented	7	6%
no longer relevant	6	5%
on-going	1	1%
<b>Grand Total</b>	<b>127</b>	

Count of Audit Title

Total



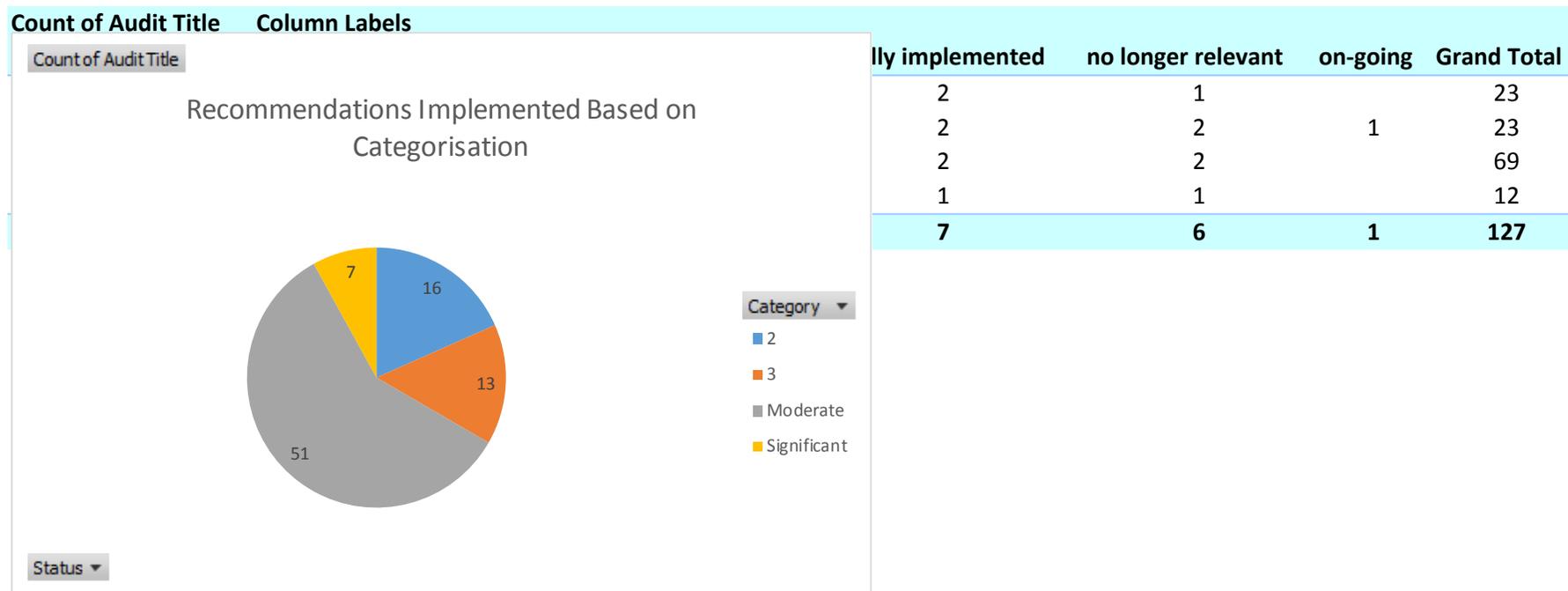
Status

- Implemented
- Not implemented
- Ongoing
- partially implemented
- no longer relevant
- on-going

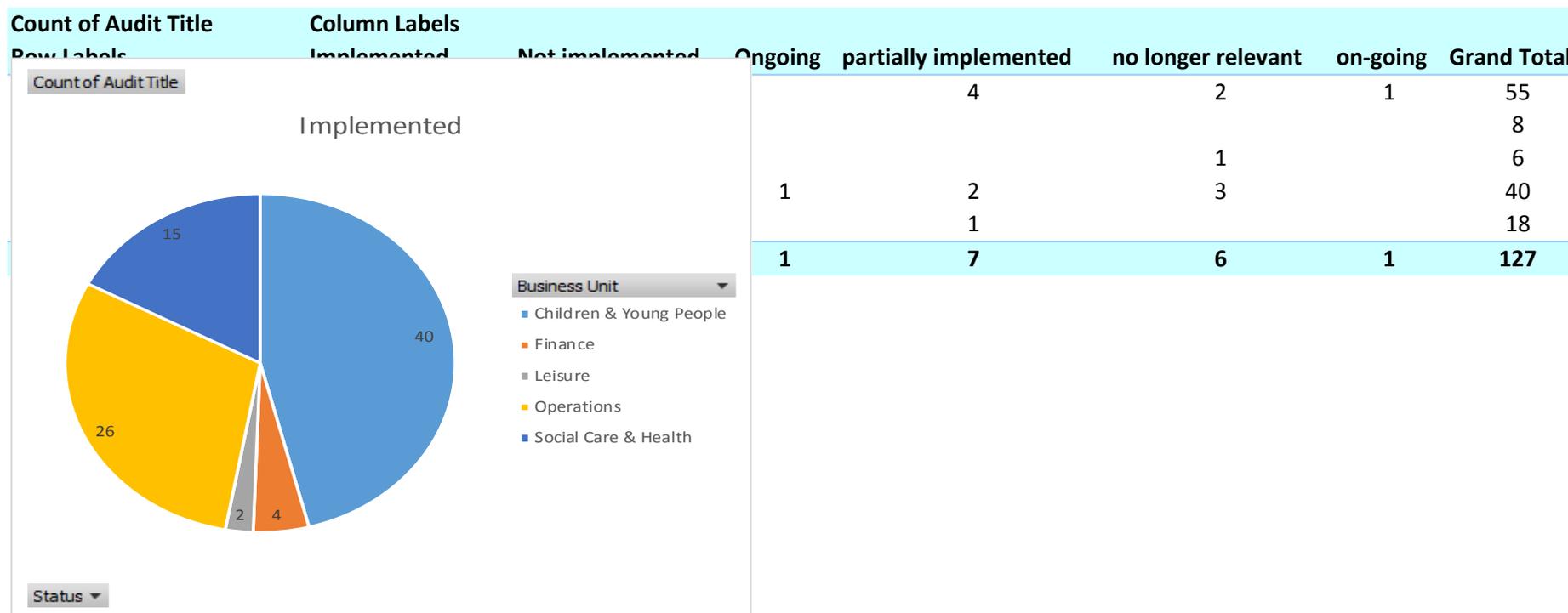
## Recommendation Status per Report

Count of Audit Title Row Labels	Column Labels Implemented	Not implemented	Ongoing	partially implemented	no longer relevant	on-going	Grand Total
Agresso Systems Admin		1					1
Benefits	2	1					3
Building Control	3						3
Caldicot Comprehensive School	2			1	1		4
Cantref Primary School	6						6
Car Park Income	3	5			2		10
Castle Park Primary School	2						2
Dewstow Primary	1						1
Fostering (Internal)	4						4
Grounds Maintenance		1					1
King Henry VIII	4	3					7
Llandogo Primary (Follow-up)	5	2		3		1	11
Outdoor Education	5	4			2		11
Rogiet Primary	3						3
Sundry Debtors	1						1
Treasury Management		1					1
Usk Primary - Follow up	2						2
Bank Reconciliation	1	1					2
Refuse - Garden Waste	11						11
Leased Vehicles	7	2					9
Llantillo Petholey	5	2					7
Pupil Referral Service	7						7
County Farms	2		1	2	1		6
Mardy Park	7	1		1			9
Community Meals	4	1					5
<b>Grand Total</b>	<b>87</b>	<b>25</b>	<b>1</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>127</b>

## Recommendations Status by Categorisation



## Recommendation Status by Directorate



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<b>AUDIT COMMITTEE WORKPLAN 2018/19</b>	
<b>24TH MAY 2018</b>	
<i>Deadline for finalised reports to Cheryl – mid day - Monday 14th May 2018</i>	
<i>Finalised reports to Committee Section – end of day - Monday 14th May 2018</i>	
Unsatisfactory Audit Opinions	Andrew Wathan
Annual Governance Statement	Andrew Wathan
Implementation of Internal Audit Recommendations	Andrew Wathan
WAO Certificate of Compliance - for info	Richard Jones
<b>5TH JULY 2018</b>	
<i>Deadline for finalised reports to Cheryl -</i>	
<i>Finalised reports to Committee Section</i>	
Treasury Outturn report 2017/18	Lesley Russell/Jon Davies
Draft Statement of Accounts 2017/18 - report including Annual Governance Statement. Appendices include 1. Summary of accounts information 2017/18 2. Statement of Accounts (prior to Audit 2017/18) 3. MCC Welch Church Funding Accounts 2017/18	Mark Howcroft/Jon Davies
Review of Reserves Outturn	Mark Howcroft
Review of Reserves Period 1	Mark Howcroft
Internal Audit Outturn Report 2017/18	Andrew Wathan
Internal Audit Plan 2018/19	Andrew Wathan
Annual Improvement report 2017-18	WAO
<b>13TH SEPTEMBER 2018</b>	
<i>Deadline for finalised reports to Cheryl –</i>	
<i>Finalised reports to Committee Section</i>	
Audited Statement of Accounts	Mark Howcroft
ISA 260 response to accounts	WAO/Mark Howcroft
Internal Audit Progress report 2018/19 quarter 1	Andrew Wathan
<b>8TH NOVEMBER 2018</b>	

<b>Deadline for finalised reports to Cheryl -</b>	
<b>Finalised reports to Committee Section-</b>	
CPR Exemptions 6 monthly update	Andrew Wathan
Half Yearly Treasury Compliance Monitoring	Jon Davies/Lesley Russell
Internal Audit Progress report 2018-19 - quarter 2	Andrew Wathan
Overview of Performance Management arrangements	Richard Jones
WAO Proposals for Improvement Progress report	Richard Jones
<b>20TH DECEMBER 2018</b>	
<b>Deadline for finalised reports to Cheryl</b>	
<b>Finalised reports to Committee Section</b>	

<b>31ST JANUARY 2018</b>	
<b>Deadline for finalised reports to Cheryl –</b>	
<b>Finalised reports to Committee Section</b>	
Annual Whole Authority complaints	Annette Evans
Audited Trust funds accounts (Welsh Church Funds & Mon Farms)	Dave Jarrett/Nikki Wellington
ISA 260 or equivalent for Trust Funds	WAO
Treasury Strategy 2019-20	Jon Davies/Lesley Russell
Unsatisfactory Internal Audit Opinions	Andrew Wathan
Strategic Risk Assessment	Richard Jones
Review of Reserves - period 2	Mark Howcroft
<b>14TH MARCH 2019</b>	
<b>Deadline for finalised reports to Cheryl –</b>	
<b>Finalised reports to Committee Section –</b>	
Joint Progress report - Statement of Accounts Refinements	Mark Howcroft & WAO
Internal Audit Progress report 2018/19 quarter 3	Andrew Wathan

Internal Audit Draft Plan 2019/20	Andrew Wathan
<b>2ND MAY 2019</b>	
<i>Deadline for finalised reports to Cheryl –</i>	
<i>Finalised reports to Committee Section -</i>	
Draft Annual Governance Statement 2018/19	Andrew Wathan
Implementation of Audit Recommendations	Andrew Wathan
CPR Exemptions 6 monthly	Andrew Wathan
<b>Jun-19</b>	
<i>Deadline for finalised reports to Cheryl –</i>	
<i>Finalised reports to Committee Section</i>	
Review of Reserves outturn	Mark Howcroft

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