

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Audit Committee held
at Council Chamber, County Hall, The Rhadyr USK - County Hall, The Rhadyr, Usk on
Thursday, 9th January, 2020 at 2.00 pm**

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

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

OFFICERS IN ATTENDANCE:

Matthew Phillips	Head of Law/ Monitoring Officer
Andrew Wathan	Chief Internal Auditor
Peter Davies	Chief Officer, Resources
Tracey Harry	Head of People Services and Information Governance
Wendy Barnard	Democratic Services Officer
Frances O'Brien	Chief Officer, Enterprise
Gareth Lucey	Wales Audit Officer
Rhodri Davies (WAO)	Wales Audit Office Team Leader
David Jones	Head of Public Protection
Ian Saunders	Chief Operating Officer, MonLife
Sally Thomas	HR Manager
Gillian Dicken	Principal Environmental Health Officer (Commercial)
Charlotte Owen	Wales Audit Officer
Nikki Wellington	Finance Manager
Alison Rees	Wales Audit Officer
Richard Simpkins	Business and Commercial Manager - MonLife
Emma Davies	Performance Officer
Richard Jones	Performance Manager

APOLOGIES:

County Councillors P. Clarke and B. Strong

1. Declarations of Interest

County Councillors M. Feakins, A. Easson and P. Murphy declared personal, non-prejudicial interest regarding Items 7,8 and 10 as a trustees of Monmouthshire Farms School Endowment Trust.

2. Public Open Forum

No members of the public were present.

3. To note the Action List from the previous meeting

The Action List from the previous meeting was noted, with updates as follows:

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- Performance Management: The Chief Officer, Resources updated the Committee on progress with improvements to the annual appraisal process and referred to some delaying factors being encountered. A detailed response on progress will be sent to Committee Members following the meeting, and a report will be presented to Audit Committee after the outturn period.
- Unfavourable Audit Opinion: The item is listed on the agenda for today's meeting.
- Self-Evaluation: The Chief Internal Auditor has circulated a self-evaluation questionnaire to Members to acquire perceptions of the effectiveness of Audit Committee. Responses will be collated and feedback to be provided at a future meeting.

4. Anti Bribery Audit Training (Presentation)

The Chief Internal Auditor gave a presentation regarding the Anti-Bribery Act. Compliance with the Act has been given an unfavourable audit opinions during the last two years; the most recent opinion being reasonable. A training package has been produced to raise awareness of the need to comply with the Act. The package will be rolled out to Audit Committee Members, Senior Leadership Team and then to be made available to all staff on The Hub.

The slides were circulated to members after the meeting.

Questions were invited:

- A Member commented that the training was thorough with sufficient opportunity for group discussion to assist staff members to identify their own position and potential risks.
- A Member expressed confidence in licensing officers commending the high standard of their work.
- It was confirmed that there is a Gifts and Hospitality procedure that contains a value of £25 limit for gifts. However, members were reminded to be aware of possible ulterior motives, even within that limit, and to exercise caution.

5. Wales Audit Office Review of Whistleblowing and Fairness at Work (Grievance) arrangements

Wales Audit Officers presented a review of Whistleblowing and Fairness at Work (Grievance) arrangements. Information was provided to the Audit Committee on how the review had been carried out, who had been interviewed and how evidence had been sought. Proposals for improvement and the Management response were noted. It was stated that steps are being taken towards the proposals and also confirmed that whilst informal feedback was already being sought from cases, these measures will now be strengthened. It was reported that the Council has responded positively to the review. Questions and comments were invited, as follows:

A Member was not reassured by the report commenting that in improving arrangements for whistleblowing, no whistle-blowers were spoken to. Results of a staff survey did not give confidence that staff would feel comfortable raising concerns. It would be preferable that Wales Audit Office had spoken confidentially to staff with a grievance and whistle-blowers about their experience. It was suggested that the matter should have been resolved much sooner, and that the recommendations should be implemented as soon as possible. A further report on the strengthening of arrangements was welcomed.

It was responded that some whistle-blowers wish to remain anonymous and are not contactable.

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Officers confirmed that it is standard practice to invite feedback from grievances and any recommendations are acted upon.

A Member asked when the Standards Committee would be considering this matter. The Head of Law/Monitoring Officer responded that the Standards Committee currently has purview over the conduct of Councillors and receives feedback from whistle-blowing cases. Other councils more usually receive feedback at Audit Committees. It was proposed that this point is addressed in the review of the Constitution and should also include an annual report to Senior Leadership Team.

The report was noted, comments were made and consideration given to the recommendations.

6. Monmouthshire Farms School Endowment Trust Fund Accounts (2018-19)

Rhodri Davies presented the independent examiners report on Monmouthshire Farm School Endowment Trust Fund Financial Statements ending 31st March 2019.

It was pointed out that the process is not an audit and should not be relied upon to provide the same level of assurance. The outcome is an unqualified examination report.

It was confirmed that there were no material misstatements uncorrected. One misstatement has been corrected and was drawn to management's attention. This was in relation to one of the comparators for creditors that was not brought forward correctly.

It was confirmed that this was a good set of accounts, and officers were thanked for providing information in a timely and helpful manner.

The independent examination report was noted.

7. ISA Monmouthshire Farms School Endowment Trust

Items 6 and 7 were considered together.

8. Wales Audit Office Environmental Health Follow Up Review and Management Response

The Wales Audit Officers introduced a report into the follow up review of the impact of reduced resources on Environmental Health Services. It was confirmed that the Council has acted upon the proposals for improvement identified in the previous report. Two proposals for improvement have been made in the report, mainly to assist the Council to consider how to sustain the services going forward.

The Head of Public Protection introduced the management response and explained the difference between statutory and non-statutory services and how it will be key to achieve a balance. Assurances were given that performance is closely monitored, and that the proposals for improvement have been added into the annual report.

In terms of income generation, the Principal Environmental Officer explained that this is beneficial as it provides a good understanding of businesses and how they work, and engenders a good working relationship. Providing advice reduces the amount of compliance work. Measures have also been introduced to assist residents to resolve issues (e.g. Noise) without unnecessarily escalating matters.

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It was confirmed that Environmental Health works well with partners, across the region and nationally.

In response to a question about structured training for Members, it was suggested that training and information for Members is provided via Strong Communities and an Annual Report. Specific overview of topics, where more than general knowledge is required, can also be provided.

The Committee considered the report and recommendations.

9. Wales Audit Office Leisure Services Follow Up Review

Wales Audit Officers introduced a follow-up review of Leisure Services looking at how the Council was addressing the recommendations of the previous report and was assured that services offered value for money.

It was found that the Council was making progress in addressing the national recommendations and has considered if the services offered provide value for money. This is evidenced by the Council having a long term vision for its leisure services, by looking at alternative delivery models in 2017 and the MonLife business plan and commercial and investment strategy being approved in September 2019.

The Chief Operating Officer, MonLife provided the management response. The report was welcomed and was a true representation of progress over the last few years. MonLife was launched this week providing services with a clear direction and a known performance evaluation framework. There was thorough consideration and scrutiny. Questions were invited:

A Member supported the move forward. The report and its recommendations were accepted.

10. Forward Work Plan

The Chair highlighted the need to better populate the Forward Work Plan. This point was agreed.

Members of the Committee requested that the competence of the Shared Resource Services (SRS) is added to the Forward Work Plan to include the adequacy of services and support, and waiting times.

The Chief Officer Resources suggested that specific concerns should be logged with Democratic Services, to progress to Democratic Services Committee as necessary. There is work being undertaken by Wales Audit Office currently looking at the relationship with the SRS and its value benefit. The scope is being defined currently.

Members recounted their concerns with the service provided. The importance of logging problems with Democratic Services was reiterated.

11. To confirm minutes of the previous meeting

The minutes of the previous meeting were confirmed as a true record.

12. To confirm the date of the next meeting as 13th February 2020

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13. 6 Month Update on Unfavourable Opinions

The Chief Internal Auditor presented the report and apologised that the last report was a year ago. The Committee was reminded that 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.

An update on improvements since 2016/17 to date was provided.

In terms of the need for significant improvements at Caldicot Castle, it was confirmed that the service manager generally agrees with the recommendations made and will take action to make improvements.

Regarding the limited opinion on the imprest account in Childrens Services, and issues concerning agency workers, it was explained that service managers and Corporate have some responsibility for improvements.

Significant issues were identified with Attendance Management; management has agreed to implement the suggested improvements.

There are 2 significant opinions in relation to health and safety and council buildings.

In 2019/20, The Headteachers of Llandogo Primary School and Castle Park Primary School have agreed to implement the suggested improvements

A Member referred to Caldicot Castle and commented that she was pleased with the report and looks forward to an improved report at the next update.

Regarding Events, it was noted that there have been no events organised recently to be audited.

A Member asked why the managers of the agency workers did not follow agency workers' right and responsibilities. It was confirmed that Audit checked that the Council's policies and procedures have been complied with. It was found that, in this instance, they had not been complied with. Non-compliance with other legislation may also have been picked up. The Chair was also concerned about agency workers and procedures not being followed. A report was requested for the next meeting.

14. To consider whether 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 information as defined in Paragraph 14 of Part 4 of Schedule 12A (Proper Officer's view attached)

It was resolved to exclude the Press and Public from consideration of the following item.

15. 6 Month Update on Unfavourable Opinions (Part 2)

The item was considered by the Audit Committee under the exclusion of press and public.

The meeting ended at 3.30 pm

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