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County Hall
Rhadyr
Usk
NP15 1GA

Dydd Mercher, 22 Gorffennaf 2020

Notice of Meeting

Pwyllgor Archwilio

Dydd Iau, 30ain Gorffennaf, 2020 at 2.00 pm,
Neuadd Y Sir, Y Rhadyr, Brynbuga, NP15 1GA

AGENDA

Item No	Item	Pages
1.	Ymddiheuriadau am absenoldeb	
2.	Datganiadau o Fuddiant	
3.	Fforwm Agored i'r Cyhoedd	
4.	Nodi Rhestr Gweithredoedd y cyfarfod blaenorol	1 - 2
5.	Datganiadau Cyfrifon Drafft – Cronfeydd Ymddiriedolaethau Elusennol	3 - 38
6.	Cynllun Archwilio – Cyfrifon Eglwys Cymru	39 - 50
7.	Adroddiad Blynyddol y Pwyllgor Archwilio	51 - 56
8.	Adroddiad Alldro'r Trysorlys	57 - 70
9.	Adolygiad o'r Gofrestr Risgiau Strategol	71 - 118
10.	Blaengynllun Gwaith	119 - 122
11.	Cadarnhau cofnodion y cyfarfod blaenorol	123 - 128
12.	Cadarnhau dyddiad y cyfarfod nesaf, sef dydd Mercher y 9fed o Fedi am 2pm	

Paul Matthews
Chief Executive

MONMOUTHSHIRE COUNTY COUNCIL
CYNGOR SIR FYNWY

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

County Councillors:

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

Public Information

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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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Agenda Item 4

Audit Committee Actions 25 June 2020

Agenda Item:	Subject	Officer	Outcome
3 (c/f 25 th July 2019)	Performance management	Chief Officer, Resources	A full report to be presented in due course
3 (c/f 13 th February 2020)	Unfavourable Audit Opinions: Agency Work	Chief Internal Auditor	A summary version of the finalised report sent to senior managers in March 2020. To be brought to Audit Committee and will be added to the work programme.
6 (c/f 13 th February 2020)	Whole Authority Strategic Risk Assessment		An interim monitoring report covering COVID 19 will be added to the Work Programme.
4 19 th March 2020	Annual Review Investment Committee		Audit Committee to be provided with a report at a future meeting
Item 7 25 th June 2020	Draft Statement of Accounts		<ol style="list-style-type: none"> 1) Usk to be amended to The Rhadyr 2) Consider addition of Original budget to financial performance section
Item 8 25 th June 2020	Audit Committee Self Assessment		Produce an action plan based on the survey outcomes and discussion with Audit Committee

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SUBJECT:	STATEMENT OF ACCOUNTS 2019/20 – CHARITABLE TRUST FUNDS
MEETING:	Audit Committee
DATE:	30th July 2020
DIVISIONS/WARD AFFECTED:	All

1. PURPOSE:

1.1 The purpose of this report is to consider the draft statement of accounts for 2019/20 for:

- Monmouthshire County Council Welsh Church Act Fund (Appendix 1)
- Monmouthshire Farm School Endowment Trust Fund (Appendix 2)
- Llanelly Hill Social Welfare Centre Accounts (Appendix 3)

2. RECOMMENDATIONS:

2.1 That the draft statements of accounts for 2019/20 noted above are reviewed.

3. KEY ISSUES

3.1 The Authority acts as sole or custodian trustee for a number of charitable trust funds.

3.2 The accounts have to be prepared 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 Charities Act 2011 and the UK Generally Accepted Practice as it applies from the 1st January 2015.

3.3 The draft Monmouthshire County Council Welsh Church Act Fund accounts will be subject to external audit by Audit Wales and subsequently be considered for approval by Audit Committee at its meeting in November 2020.

3.4 The Monmouthshire Farm School Endowment Trust Fund Accounts will be subject to independent examination by Audit Wales and will subsequently be considered by the trustees prior to lodging with the Charities Commission.

3.5 The Llanelly Hill Social Welfare Centre Accounts do not require a formal audit or inspection process and will subsequently be lodged with the Charities Commission.

4. OPTIONS APPRAISAL

4.1 Not applicable.

5. EVALUATION CRITERIA

5.1 Not applicable.

6. REASONS

6.1 To consider the accounts as presented enabling the external audit and independent inspection process to be undertaken and reported in due course.

7. RESOURCE IMPLICATIONS

7.1 As outlined in the respective accounts to be found in the Appendices.

8. WELLBEING OF FUTURE GENERATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

8.1 There are no implications directly arising from the recommendations and decisions highlighted in this report.

9. CONSULTEES

Strategic Leadership Team
Cabinet Members
Chief Officer, Resources (Acting Section 151 officer)

10. BACKGROUND PAPERS

1. Draft Monmouthshire County Council Welsh Church Fund Accounts 2019/20
2. Draft Monmouthshire Farm School Endowment Trust Fund 2019/20
3. Draft Llanelly Hill Social Welfare Centre Accounts 2019/20

11. AUTHORS:

Jonathan Davies – Finance Manager

12. CONTACT DETAILS

email: jonathandavies2@monmouthshire.gov.uk

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

**Annual Report and Financial Statements for the
year ended the 31 March 2020**

Registered Charity Number: 507094

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2020**

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**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2020**

Trustee, Officers and Advisors

Trustee

Monmouthshire County Council

Secretary

Matthew Phillips

Monitoring Officer

Monmouthshire County Council

Registered Office

County Hall

The Rhadyr

Usk

NP15 1GA

Auditors

Audit Wales

24, Cathedral Road

Cardiff

CF11 9LJ

Solicitor

Matthew Phillips

Head of Legal Services

Monmouthshire County Council

Investment Custodian

Monmouthshire County Council

General Management

Mr Peter Davies

Director of Resources

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 2020

Report of the Trustee for the year ended 31 March 2020

The Trustee presents its annual report and the audited financial statements for the year ended 31 March 2020 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 public groups and individuals for educational, social, recreational and other charitable benefit 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 2020

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 decreased in value by £411,922 (£117,776 decrease in 2018/19); this decrease is primarily due to a large unrealised loss (£394,606) at the 31st March 2020 valuation date due to the effect on the investment markets caused by the Covid-19 pandemic.

Income is principally comprised of investment income of £206,229 (£210,597 in 2018/19), 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 £226,441 (£369,772 in 2018/19) and principally comprised grant payments of £211,080 (£355,400 in 2018/19). The decrease in charitable expenditure from 2018-19 equates to the current rate of charitable funding available for distribution, though Caerphilly Borough Council still has a large unallocated brought forward balance available.

Net losses on investments held amounted to £394,605 (£41,399 net gain in 2018/19). These non-realised investment losses have been due to the effect of the Covid-19 pandemic on the financial markets at the height of the initial lockdown period in early March 2020. The 'Trusts' current investment strategy, diversifying the portfolio across several investment categories in the last couple of financial years has enabled some investment values to remain fairly stable amid the current volatility in the financial markets. The long-term projections on these charity based investments as indicated by the Trustees' Treasury consultants continue to offer a balanced risk portfolio between income generation and asset growth.

Income generation

The Charity's income was £209,125, compared to £210,597 in 2018/19. The diverse market investment strategy that mainly replaced the pooled investment strategy with Monmouthshire County Council has continued to produce consistent 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 2019/20, which was approved by Monmouthshire County Council in its capacity as sole and corporate trustee, on March 6th 2019.

Changes in fixed assets

The fixed asset investments were re-valued in the 2019-20 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 2020 is £4,962,635 (5,374,556 in 2018/19). The Trustee has reviewed its Fund strategy and produced an investment and fund strategy for 2019/20 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 2020

Governance of the Charity

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 6th March 2019 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 Peter Davies

Director of Resources (Acting S151 Officer), Monmouthshire County Council

Date:

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2020**

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

Report on the audit of the financial statements

Opinion

I have audited the financial statements of The Monmouthshire County Council Welsh Church Act Fund for the year ended **31st March 2020**, which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at **31st March 2020** and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you were:

- the trustee use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Report on other requirements

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee is responsible for the other information in the annual report and accounts. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information 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.

The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2020

Matters on which I report by exception

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee report;
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities

Responsibilities of the Trustee for the financial statements

As explained more fully in the Trustee Responsibility Statement set out on page 4 of the Trustee Report, the trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Ann-Marie Harkin

On behalf of the Auditor General for Wales

Date:

24 Cathedral Road
Cardiff
CF11 9LJ

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2020**

**Statement of financial activities (Sofa) for the year ended 31
March 2020**

	Notes	2020 Unrestricted Funds £	2020 Total Unrestricted Funds £	2019 Total Unrestricted Funds £
Income & Endowments from:				
Investment income	2	206,229	206,229	210,597
Other incoming resources		2,896	2,896	0
Total income & Endowments		209,125	209,125	210,597
Resources Expended				
Raising funds:				
Investment Property Professional fees		(771)	(771)	(679)
Management and administration		(2,500)	(2,500)	(2,000)
		(3,271)	(3,271)	(2,679)
Charitable expenditure				
Costs of activities in furtherance of the Charity's objects				
Grants payable	3,4	(211,080)	(211,080)	(355,400)
Management and administration		(5,741)	(5,741)	(5,813)
Other				
Governance Costs	5	(6,349)	(6,349)	(5,880)
Total Resources Expended		(226,441)	(226,441)	(367,093)
Gains/(losses) on investment assets	9,10	(394,605)	(394,605)	41,399
Net Income /(Expenditure)		(411,921)	(411,921)	(117,776)
Transfers between funds	13	0	0	0
Net movement in funds		(411,921)	(411,921)	(117,776)
Fund balances brought forward April 2019		5,374,556	5,374,556	5,492,332
Fund balances carried forward 31 March 2020	13	4,962,635	4,962,635	5,374,556

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 2020**

Balance Sheet as at 31 March 2020

	Notes	2020 Unrestricted Funds £	2019 Unrestricted Funds £
Fixed assets			
Investment Land	9	394,000	394,000
Investments	10	4,477,125	4,871,730
		4,871,125	5,265,730
Current assets			
Debtors: amounts falling due within one year	11	44,161	52,052
Cash at bank and in hand		227,964	395,958
		272,125	448,010
Current Liabilities			
Creditors: amounts falling due within one year	12	(180,615)	(339,184)
Net current assets or liabilities		91,510	108,826
Net assets or liabilities			
		4,962,635	5,374,556
The Funds of the Charity:			
Unrestricted Funds	13	4,962,635	5,374,556
Total Charity funds		4,962,635	5,374,556

The accounts on pages 7 to 16 were approved by the Trustee on **xxxxx 2020**, and signed on their behalf by:

By order of the Trustee

**Mr Peter Davies
Director of Resources – Monmouthshire County Council**

Date:

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2020**

Statement of Cash flows as at 31 March 2020

	note	Total Funds £	Prior Year Funds £
Cash flows from operating activities			
<i>Net cash provided by operating activities</i>	7	(377,119)	(183,180)
<hr/>			
Cash flow from investing activities			
Dividends and rents from investments		209,125	210,597
<hr/>			
<i>Change in cash and cash equivalents in the reporting period</i>		(167,994)	27,417
Cash and cash equivalents at the beginning of the reporting period		395,958	368,541
<hr/>			
<i>Cash and cash equivalents at the end of the reporting period</i>		227,964	395,958
<hr/>			

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2020**

**Notes to the financial statements for the year ended 31 March
2020**

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 2020

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 identified that there have been material movements between formal valuations, as holdings are Investment Land not tangible fixed assets. By exception, no valuation was undertaken in March 2020 due to the restrictions imposed by the Covid-19 pandemic.

An Independent Valuer of Williams Associates, a qualified Land Valuer and Chartered Surveyors, re-valued all Investment Land as at 1st March 2019 and all assets held at year-end are included in the accounts at that valuation date. Vacant properties are valued at open market value.

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

	2020	2019
	£	£
Investments with Monmouthshire County Council	3,425	3,975
Investment Property Rental Income	4,200	6,214
External Investments	<u>198,604</u>	200,408
	<u>206,229</u>	210,597

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2020**

3 Grants Payable

	2020	2019
	£	£
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	33,727	42,025
Torfaen County Borough Council	42,300	38,425
Newport City Council	39,737	33,943
Blaenau Gwent County Borough Council	25,586	24,400
Caerphilly County Borough Council	66,730	216,607
	211,080	355,400

The management and administration cost of the fund and grants distributed were **£5,741** during the year.

4 Analysis of Grants

	Grants to Organisations	Grants to Individuals
	£	£
The Advancement of Education	2,349	3,750
The Advancement of Religion	81,559	0
The Relief of Poverty	43,100	0
Other Purposes Beneficial to the Community	80,322	0
Total	207,330	3,750

Caerphilly Borough Council, Newport City Council and Torfaen County Borough Council have under spent their allocations for 2019/20 by £103,253, £27,645 and £5,295 respectively, which will be carried forward for distribution in 2020/21. Grants to Churches and other Religious establishments totaled £81,559 and Community Organisations £80,322 respectively during the financial year. Grants of essential equipment and furnishings to the value of £43,100 were allocated to individuals for the relief of families deemed to be in poverty. No organization or individual received more than one grant award during 2019-20.

5 Governance Costs

	2020	2019
	£	£
Auditor's remuneration	6,349	5,880
	6,349	5,880

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 because of the Public Audit Wales Act and in particular, the duty placed on Audit Wales to ensure full cost recovery in its audit fees.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2020**

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 2020

	Current Year £	Prior Year £
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	(411,921)	(117,776)
Adjustments for non-cash transactions		
(Gains) /losses on investments	394,605	(41,399)
Dividends, Interest & Rents from investments	(209,125)	(210,597)
Increase/(decrease) in Provisions	0	0
(Increase)/ decrease in debtors / bad debts	7,891	2,466
Increase/(decrease) in creditors	(158,569)	184,126
Net cash provided and (used in) operating activities	(377,119)	(183,180)

8 Analysis of cash and cash equivalents as at 31 March 2020

	Current Year £	In Year Movement £	Prior Year £
Cash in hand	227,964	(167,994)	395,958
Overdraft facility repayable on demand	0	0	0
Total cash and cash equivalents	227,964	(167,994)	395,958

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2020**

9 Investment Land and Property

	Total
	£
Valuation	
At 1 April 2019	394,000
Disposals	0
Revaluation	0
At 31 March 2020	0
Depreciation	
At 1 April 2019	0
Charge in year	0
Disposals	0
At 31 March 2020	0
Net book Value	
At 1 April 2019	394,000
At 31 March 2020	0

Tangible Investment Assets solely consist of freehold land. No revaluation was under-taken in March 2020 due to restrictions imposed by the Covid-19 pandemic. Valuations will be carried out in accordance with the valuation policy in the 2020/21 financial year and on thereafter on an annual rolling basis.

10 Investments

	2020	2019
	£	£
CCLA - COIF Property Fund	1,023,878	1,050,649
UBS Multi Asset Income Fund	599,874	687,279
M&G Charibond Fund	688,610	689,393
Schroders Income Maximiser	280,188	422,246
M&G Charifund	415,975	535,509
CCLA - COIF Investment Fund	1,009,279	1,025,599
Treasury Stock 2024 2.5%	109,321	111,055
Invested with Monmouthshire County Council	350,000	350,000
	4,477,125	4,871,730

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 0.6690% for 2019/20 (0.5839% for 2018/19). 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 2020

open market value of the unit holdings on the 31st March 2020 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 2020 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 2020. 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

	2020 £	2019 £
Amounts falling due within one year		
<i>Prepayment & accrued income</i>		
Investment Income	44,161	52,052
Other Debtors		
MCC Bank Transfer	0	0
<i>Trade debtors</i>		
Rental income	0	0
Bad debt provision for loss of rental income	0	0
<i>Other Debtors</i>		
HM Revenue and Customs	0	0
Other Debtors	0	0
	44,161	52,052

All investment interest due from the trustee was paid in year in 2019-20.

12 Creditors

	2020 £	2019 £
Amounts falling due within one year		
Grant creditors	180,153	327,931
Other creditors	462	11,253
	180,615	339,184

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 2019 £	Incoming resources £	Resources Expended £	Other Recognised Gain / (Loss) £	Balance 31 March 2020 £
Unrestricted funds	5,374,556	209,125	(226,441)	(394,605)	4,962,635

There were no transfers between funds during the 2019-20 financial year.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2020**

14 Related party transactions

During the year transactions with related parties arose as follows:

	2020		2019	
	Receipts	Payments	Receipts	Payments
	£	£	£	£
Monmouthshire County Council	3,425	4,897	3,975	4,785

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.

There are outstanding balances for expenditure of £4,897 and income of £4,200 at the year-end with Monmouthshire County Council. The Trust also held a £350,000 investment fund balance with Monmouthshire County Council at the year-end.

15 Trustee's Expenses, Remuneration and Benefits

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

**Monmouthshire Farm School Endowment
Trust Fund**

**Annual report
for the year ended 31 March 2020**

Registered Charity Number: 525649

**Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2020**

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**Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2020**

Trustees, officers and advisers

Trustees

R Edwards
Monmouthshire County Council

D Yeowell
Torfaen County Borough Council

P Murphy
Monmouthshire County Council
Commenced during year.

Professor J D Hayes
University College Wales Aberystwth

S B Jones
Monmouthshire County Council
Left during year

K Backhouse
Director Usk Campus – Coleg Gwent
Left during year

A Easson
Monmouthshire County Council

Helen Morgan
Director Usk Campus – Coleg Gwent
Commenced during year

D W.H Jones
Monmouthshire County Council

D Havard
Caerphilly County Borough Council

B Thomas
Blaenau Gwent County Borough Council

M Feakins
Mounmouthshire County Council

Dr W O C Symondson
University of Wales College Cardiff

B Jones
Monmouthshire County Council
Commenced in year.

Secretary

Matthew Phillips
Head of Legal Services
Monmouthshire County Council

Registered Office

County Hall, The Rhadyr, Usk, NP15 1GA

Auditors

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

Solicitors

Matthew Phillips
Head of Legal Services
Monmouthshire County Council

Investment custodian

Monmouthshire County Council

Bankers

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

**Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2020**

Monmouthshire Farm School Endowment Trust Fund Annual report for the year ended 31st March 2020

Report of the Trustees for the year ended 31st March 2020

The Trustees presents their annual report and the independently examined financial statements for the year ended 31 March 2020 of The Monmouthshire Farm School Endowment Trust Fund. The information with respect to the Trustees, officers and advisors set out on page 1 forms part of this report. The 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 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. The trustees also have regard to the Charity Commission's guidance on public benefit.

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 facilities or amenities at Usk College which would benefit these students. The grants 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. The total grant awards were £26,517.

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 decreased in value by £27,036 (£47,560 decrease in 2018/19) over the financial year as a result of incoming resources (including income from investments and income from the Roger Edwards Educational Trust) being outweighed by outgoing resources.

Income consists of interest on investment stock and cash held of £26,508 (£25,426 in 2018/19), and £0 (£4,779 2018/19) in respect of the annual payment from the Roger Edwards Educational Trust. Expenditure of £29,0638 (£77,358 in 2018/19) primarily comprised of grants payable of £26,517 (£75,605 in 2018/19) in line with the Charity's objects. Unrealised investment loss of £24,482 (£1,590 gain in 2018/19) was made in relation to investments held.

The current strategy is to ensure that there are sufficient funds to meet the needs of beneficiaries. This income generation forms the main basis of the following year's grant allocations to ensure continuity and non-degradation of the fund's capital assets and to perpetuate the charity as a going concern.

Investment powers, policy and performance

Under the terms of the Trust Deed, the Trustees have general powers of investment, subject to the provisions of the Trustee Act 2000. The Trustees has reviewed their investment strategy and produced an investment and fund strategy for 2018/19 which was approved by Monmouthshire County Council in its capacity as Trust administrator on 7th March 2018. 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 the year ended 31st March 2020

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 has received 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 Trust.

The Trust has reviewed its fund strategy and produced an investment and fund strategy for 2018-19 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 7th March 2018.

Governance of the Charity

Representative Trustees appointed by Monmouthshire County Council have a term of office equivalent to the term of a County Council (five years); the other representative Trustees have a term of office of three years and the co-opted 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 processes. The Roger Edwards Educational Trust has historically provided significant income to this trust to be used for the distribution of grants. This income is received after the independent examination of the accounts and therefore this is usually late in the financial year. A risk assessment policy was approved by Cabinet on 6th March 2019.

Independent examiners

The Wales Audit Office are the appointed independent examiners 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 Trustees confirm 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 2020. The Trustees also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Trustees 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 Trustees

Trustee:

Date: 21st January 2019

**Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2020**

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

I report on the financial statements of Monmouthshire Farm School Endowment Trust Fund for the year ended 31st March 2020, 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 financial statements 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 financial statements 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 financial statements. 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 financial statements 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 the year ended 31st March 2020

Statement of financial activities (Sofa) for the year ended 31st March 2020

	Notes	2020 Unrestricted Funds £	2019 Unrestricted Funds £
Income & Endowments from:			
Investment income	2	26,508	25,429
Other incoming resources (REET)		0	1,436
Total income & Endowments		26,508	26,865
Resources Expended			
Charitable expenditure			
Costs of activities in furtherance of the Charity's objects			
Expenditure on charitable activities	3	26,517	75,605
Other expenditure	3 & 4	2,546	1,753
Total Resources expended		29,063	77,358
Gains/(losses) on investment assets	5	(24,482)	1,590
Net Income / (Expenditure)		(27,037)	(48,903)
Net movement in funds			
Fund balances brought forward 1 April 2019		658,650	707,553
Fund balances carried forward 31 March 2020		631,614	658,650

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 the year ended 31st March 2020

Balance Sheet as at 31 March 2020

	Notes	2020	2019
		Unrestricted Funds	Unrestricted Funds
		£	£
Fixed assets			
Investments	7	618,678	643,160
		618,678	643,160
Current assets			
Debtors: amounts falling due within one year	8	245	7,462
Cash at bank and in hand		16,615	11,751
		16,860	19,213
Current Liabilities			
Creditors: amounts falling due within one year	9	3,924	3,724
Net current assets		12,936	15,480
Net assets		631,614	658,650
The Funds of the Charity:			
Unrestricted Funds	10	631,614	658,650
Total Charity funds		631,614	658,650

The financial were approved by the Trustees on 20th July 2020 and signed on their behalf by:

Trustee:

Date: 21st January 2019

**Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2020**

**Notes to the financial statements for the year ended 31st March
2020**

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 from the Roger Edwards Educational Trust is an estimate of the income to be received for the year.

Grants payable

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

Management and administration

Monmouthshire County Council administer the Trust Fund on behalf of the Trustees. 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.

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.

Monmouthshire Farm School Endowment Trust Fund Annual report for the year ended 31st March 2020

Transition to FRS 102

The opening fund position at the date of transition has 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

	2020	2019
	£	£
Interest on cash balances	87	255
Interest on Investments	26,421	25,174
	26,508	25,429

3 Expenditure on Charitable Activities

	2020	2019
	£	£
Grants payable	26,517	75,605
Management & administration	2,546	1,753
	29,063	79,358

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

4 Governance Costs

	2020	2019
	£	£
Net incoming resources is stated after charging:		
Auditor's remuneration	1,762	1,762
	1,762	1,762

No indemnity insurance for Trustees 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 Council's fidelity guarantee insurance. Insurance covers financial losses incurred as a result of fraudulent acts conducted by Authority employees but does not cover the Trustees for any wrong decisions that may have been made. Governance costs have decreased 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 the year ended 31st March 2020

5 Gains and losses on revaluation and disposal of investment assets

	Market Value 2019 £	Market Value 2020 £	Gain/(Loss) £
Charibond	234,907	234,640	(267)
OEIC	182,392	161,043	(21,349)
COIF	225,860	222,993	(2,867)
Total	643,159	618,677	(24,483)

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 2019	643,160
Purchase	
Net revaluation loss	(24,483)
Valuation at 31 March 2020	618,677

Fixed asset investments solely consist of the quoted investments. All investments are stated at their market value at 31st March 2020. The historical cost of the investments at 31st March 2019 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 2020 are as follows:

	£	%
COIF	222,993	36.0%
Charibond	234,640	37.9%
OEIC Fund	161,043	26.1%

The percentage shown above is the percentage of the total portfolio market value as at 31st March 2020.

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2020

8 Debtors

	2020	2019
	£	£
Amounts falling due within one year		
Receivable from The Roger Edwards Educational Trust	0	5,000
Welsh Church Fund	0	5,500
HM Revenue and Customs	245	305
	245	10,805

9 Creditors

	2020	2019
	£	£
Amounts falling due within one year		
Accruals and deferred income	3,924	3,724
	3,924	3,724

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

10 Unrestricted Funds

	Balance 1 April 2019	Incoming resources	Resources Expended	Investment Gain/(Loss)	Balance 31 March 2020
	£	£	£	£	£
Permanent endowed funds	658,650	26,508	29,063	(24,481)	631,614

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 trustees. Payments have been made to Monmouthshire County Council respect of management and administration expenses.

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Llanelly Hill Social Welfare Centre Trust Fund
Statement of financial activities for the year ended 31st March
2020

	2020	2019
	£	£
<i>Incoming resources</i>		
Income Generated By Management Committee	4,367	7,500
Contribution from Monmouthshire County Council	8,333	13,092
Total incoming resources	12,700	20,592
Charitable expenditure:		
Costs of activities in furtherance of the Charity's objects		
Management and Maintenance	12,700	20,592
Total resources expended	12,700	20,592
Net Gain / (Loss) before transfers	0	0
Net incoming resources before fixed asset revaluations	0	0
Gains/(losses) on the revaluation of fixed assets	0	0
Net movement in funds	0	0
Fund balances brought forward 1 April	68,050	68,050
Fund balances carried forward 31 March	68,050	68,050

Charity Registration No: 523661

Llanelly Hill Social Welfare Centre Trust Fund

Balance Sheet at 31st March 2020

	2020	2019
	£	£
Fixed assets		
Building and Land	65,000	65,000
	65,000	65,000
Current assets		
Debtors: amounts falling due within one year	61,707	49,007
Creditors: amounts falling due within one year	58,658	45,958
Net current Liabilities	3,050	3,050
Total assets less current liabilities	0	0
Net assets	68,050	68,050
Reserves:		
Endowment capital	68,050	68,050
Total funds	68,050	68,050

2020 Audit Plan – The Monmouthshire County Council Welsh Church Act Fund

Audit year: 2019-20

Date issued: July 2020

Document reference: 1949A2020-21

This document has been prepared as part of work performed in accordance with statutory functions. Further information on this is found in **Appendix 1**.

No responsibility is taken by the Auditor General, the staff of Audit Wales or, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, Audit Wales and, where applicable, the appointed auditor are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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2020 Audit Plan

Summary

- 1 As your external auditor, my objective is to carry out an audit which discharges my statutory duties as Auditor General and fulfils my obligations under the Code of Audit Practice, namely to examine and certify whether your financial statements are true and fair.
- 2 The purpose of this plan is to set out my proposed work, when it will be undertaken, how much it will cost and who will undertake it.
- 3 There have been no limitations imposed on me in planning the scope of this audit.
- 4 My responsibilities, along with those of management and those charged with governance, are set out in **Appendix 1**.

Impact of COVID-19

- 5 The COVID-19 national emergency has had an unprecedented impact on the UK and will significantly impact on public bodies' preparation of the 2019-20 accounts and our audit work.
- 6 Due to the UK Government's restrictions on movement and anticipated sickness absence levels, we understand that many bodies will not be able to prepare accounts in line with their usual timetable. As well as the delivery of the Auditor General's statutory responsibilities, our priority is to ensure the health, safety and well-being of Audit Wales staff, their families and those of our partners elsewhere in the public service at this incredibly challenging time.
- 7 In response to the government advice and subsequent restrictions, we have ceased all on-site work at audited bodies and our own offices. Audit Wales staff are working from home and we will continue to make whatever progress we can whilst working and engaging with you remotely.
- 8 Consequently, this audit plan aims to set out an initial timetable in relation to completion of our audit work, but this may need to be revisited.
- 9 We commit to ensuring that our audit work will not have a detrimental impact on you at a time when public bodies are stretched and focused on more important matters.

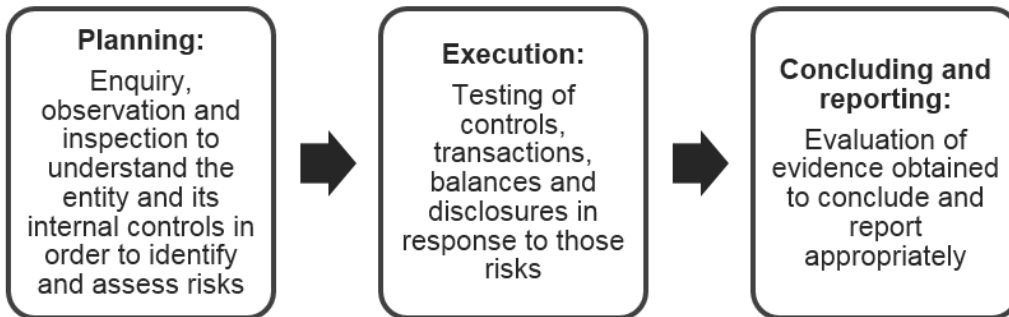
Financial audit

- 5 It is my responsibility to issue a report on the financial statements which includes an opinion on:
 - their truth and fairness, providing assurance that they:
 - are free from material misstatement, whether caused by fraud or error;
 - comply with the statutory and other applicable requirements; and

- comply with all relevant requirements for accounting presentation and disclosure;
 - the consistency of information in the Report of the Trustee with the financial statements.
- 6 It must also state, by exception, if sufficient accounting records have not been kept, if the financial statements are not in agreement with the accounting records and returns or if I have not received all the information and explanations I require for my audit. **Appendix 1** sets out my responsibilities in full.
- 7 The audit work we undertake to fulfil our responsibilities responds to our assessment of risks. This understanding allows us to develop an audit approach which focuses on addressing specific risks whilst providing assurance for the financial statements as a whole. Our audit approach consists of three phases as set out in **Exhibit 1**.

Exhibit 1: my audit approach

This table summarises the three phases of my financial audit approach, being planning, testing and reporting.



- 8 The risks of material misstatement which I consider to be significant and which therefore require special audit consideration are set out in **Exhibit 2**, along with the work I intend to undertake to address them. Also included are other key areas of audit attention my team will be focusing on.

Exhibit 2: financial audit risks

This table summarises financial audit risks and the corresponding audit work planned in response.

Financial audit risks	Proposed audit response
Significant risks	
<p>Risk of Management Override The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].</p>	<p>We will:</p> <ul style="list-style-type: none"> • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for biases; and • evaluate the rationale for any significant transactions outside the normal course of business.
Other areas of audit attention	
<p>Impact of COVID-19 The COVID-19 national emergency may see a delay in the preparation and audit of accounts. There is a risk that the quality of the accounts and supporting working papers, eg around estimates and valuations, may be compromised leading to an increased incidence of errors. Quality monitoring arrangements may be compromised due to timing issues and/or resource availability.</p>	<p>We will discuss your closedown process and quality monitoring arrangements with the accounts preparation team and make arrangements to monitor the accounts preparation process. We will help to identify areas where there may be gaps in arrangements.</p>

- 9 I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Audit Committee prior to completion of the audit.
- 10 For reporting purposes, we will treat any misstatements below a trivial level (set at 5% of materiality) as not requiring consideration by those charged with governance and therefore we will not report them.

- 11 My fees and planned timescales for completion of the audit are based on the following assumptions:
- the financial statements are provided in accordance with the agreed timescales (which may need to be revised), to the quality expected and have been subject to quality assurance review;
 - information provided to support the financial statements is in line with agreed standards, and is provided in a timely manner;
 - appropriate accommodation and facilities (if possible) are provided to enable my audit team to deliver our audit in an efficient manner;
 - all appropriate officials will be available during the audit; and
 - you have all the necessary controls and checks in place to enable the Trustee to provide all the assurances that I require in the Letter of Representation addressed to me.

Fee, audit team and timetable

Fee

- 12 Your estimated fee for 2020 is set out in **Exhibit 3**. My fee rates for 2020 have increased overall by 3%, however, my audit teams will continue to drive efficiency in their audits to ensure fee increases are not passed onto you. The proposed fee level for 2019-20 remains the same as the actual cost incurred in 2018-19.

Exhibit 3: audit fee

This table sets out the proposed audit fee for 2020, by area of audit work, alongside the actual audit fee for 2019. This fee is net of VAT, which must be charged by the Auditor General on audits other than those carried out under statute.

Audit area	Proposed fee for 2020 (£)	Actual fee for 2019 (£)
Financial accounts	£6,255	£6,255

- 13 The fee for the financial audit is driven by the skill mix required to deliver the work, together with the daily charge rate for each grade of staff member. We estimate that a total of 13.5 days will be required to complete the audit. The proposed skill mix and fee breakdown is set out in **Exhibit 4**.

Exhibit 4: financial accounts fee analysis

This table breaks down the audit fee by daily charge out rate and estimated number of days required for each staff grade.

Role	Daily Rate	Number of days	% Input
Engagement Lead	£1,134	0.5	4
Audit Manager	£833	1	7
Senior Auditor	£539	4	30
Trainee	£336	8	59

- 14 Planning will be ongoing, and changes to my programme of audit work and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Director of Resources.
- 15 Further information on my [fee scales and fee setting](#) can be found on our website.

Audit team

- 16 The main members of my team, together with their contact details, are summarised in **Exhibit 5**.

Exhibit 5: my audit team

This table lists the members of the local audit team and their contact details

Name	Role	Contact number	E-mail address
Anthony Veale	Engagement Lead	029 2032 0585	anthony.veale@audit.wales
Gareth Lucey	Audit Manager	029 2082 9398	gareth.lucey@audit.wales
Erin Pollard	Senior Auditor	029 2082 9371	erin.pollard@audit.wales

- 17 I can confirm that my team members are all independent of the Charity and your officers. In addition, I am not aware of any potential conflicts of interest that I need to bring to your attention.

Timetable

- 18 We will continue to undertake such remote work as is possible during the COVID-19 national emergency and may need to revise the timetable as work progresses.
- 19 I will provide reports, or other outputs as agreed, to the Trustee covering the areas of work identified in this document. My key milestones are set out in **Exhibit 6**.

Exhibit 6: timetable

This table sets out the key milestones for the planned audit outputs.

Planned output	Work undertaken	Report finalised
2020 Audit Plan	June-July 2020	July 2020
Financial accounts work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on Financial Statements	September-October 2020	November 2020
2021 Audit Plan	June-July 2021	July 2021

Appendix 1

Respective responsibilities

My powers and duty to undertake your financial audit are set out in the Public Audit (Wales) Act 2004. My responsibilities are set out in **paragraphs 5 and 6** of this document.

My audit work does not relieve management and those charged with governance of their responsibilities which include:

- the preparation of the financial statements and Trustee's Annual Report in accordance with applicable accounting standards and guidance; and
- the keeping of sufficient accounting records.



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

DRAFT 1



**SUBJECT: AUDIT COMMITTEE
 ANNUAL REPORT 2019/20**

**DIRECTORATE: Resources
MEETING: Audit Committee
DATE: April 2020
DIVISION/WARDS AFFECTED: All**

1. PURPOSE

To present the Chair of the Council's Audit Committee's Annual Report for 2019/2020.

2. RECOMMENDATION(S)

On behalf of the Audit Committee I submit this annual report for 2019/2020 for consideration by the Council. I believe that it shows that, over this period, the Committee has fulfilled its role as defined in its 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 10 councillors and includes one lay member (co-opted) who is not a councillor. During 2019/20, the lay member was the Chair of the Audit Committee, as in previous years. The Committee's main responsibilities include:

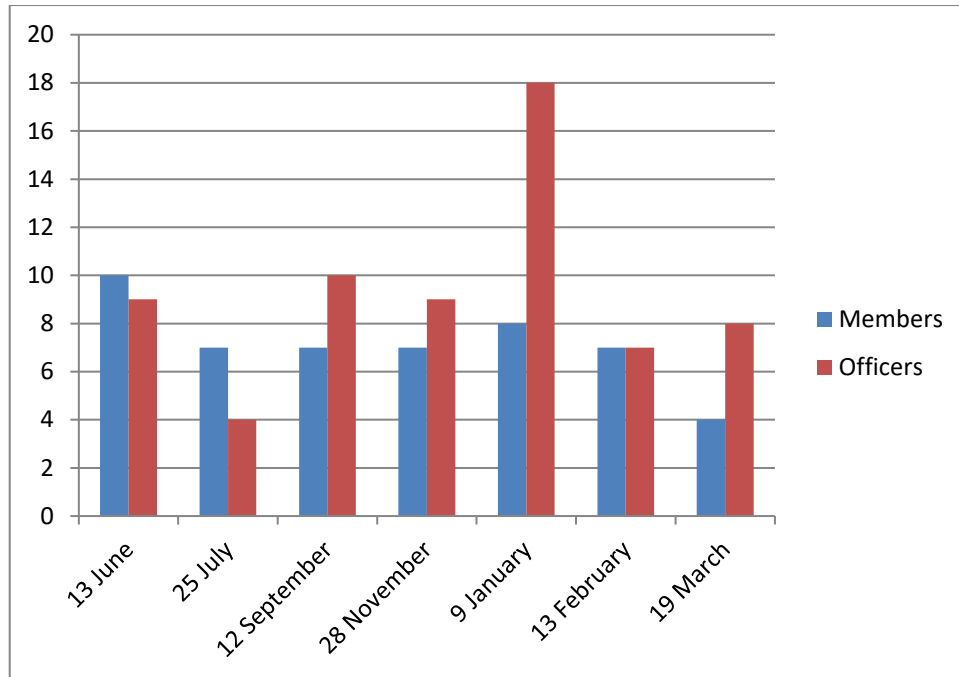
- Approving the internal audit strategy, plan & performance
- Review internal audit reports and seek assurances of change where required
- Consider the reports of external audit and inspection agencies
- Consider the effectiveness of the Authority's risk management arrangements
- Maintain an overview 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, Head of Resources and the Chief Internal Auditor or, occasionally, representatives, in attendance at most meetings. External Audit (The Wales Audit Office) are invited to all meetings. During 2019/20 the Council's Audit Committee formally met 7 times, with all meetings being quorate. The Wales Audit Office was represented at all meetings.

Audit Committee meetings 2018/19
13 th June 2019
25 th July 2019
12 th September 2019
28 th November 2019
9 th January 2020
13 th February 2020
19 th March 2020

Attendance at Meetings:



3.5 Regular reports were received 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.

3.7 The Committee seeks to maintain its effectiveness by taking up opportunities for training. In June 2019 the chair attended a meeting of the Scrutiny Chairs group at which training for Committee members was discussed. In January 2020 the Chair attended the Scrutiny Chairs' training session. In October 2019 the Chair attended an Audit Committee Chairs' networking event, which was well attended by many Chairs of Audit Committees from across Wales.

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

3.8 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:

- Audited Statement of MCC Accounts 2018/19, WAO 'ISA 260' Response to the Accounts
- WAO Certificate of Compliance for the Audit of MCC's 2019/20 Improvement Plan
- WAO Report: Well-being of Future Generations: An examination of developing a range of options to improve rural transport
- WAO Service Users Perspective Review, Customer Contact plus Managers' Response
- WAO Annual Improvement Report
- Audited Trust Funds Accounts (Welsh Church Fund and Monmouthshire Farm School Endowment Trust Fund)
- WAO Audit of Financial Statements Report and Management Letter for Welsh Church Act Fund
- WAO Independent Examination of Financial Statements Report – Monmouthshire Farm School Endowment Trust Fund
- WAO Review of Whistleblowing and Fairness at Work (Grievance) Arrangements at MCC
- WAO Environmental Health follow-up review for MCC
- WAO Leisure Services follow-up review for MCC
- WAO Annual Audit Plan
- WAO Certification of Grants and Returns 2018/19
- WAO Follow-up Review of Corporate Arrangements for Safeguarding of Children for MCC

3.9 The Internal Audit annual report for 2018/19 and the annual plan for 2019/20 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 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.

3.10 Reports presented for consideration included:

- Internal Audit (IA) Reports on Unfavourable Audit Opinions
- IA Outturn Report on 2018/19
- IA Plan 2019/20
- IA Quarterly Progress Reports
- Contract Procedure Rules and Exemptions
- Implementation of Internal Audit Recommendations 2017/18
- Draft Annual Governance Statement 2018/19

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

3.11 Reports from Internal Audit and from other departments within the Authority and WAO inform the Committee in respect to these terms of reference, for example the regular reports on Unfavourable Audit Opinions (see 3.10, above).

3.12 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.

3.13 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 report on WAO Proposals for Improvement
- Whole Authority Strategic Risk Assessment

3.14 A report on the IT Risk Register was presented in July by the Head of Digital.

3.15 The Chief Officer for Resources provided the Committee with a presentation on Anti-bribery Compliance Update and Annual Risk Assessment in September 2019. In January 2020, the Committee received a presentation on Anti Bribery training.

3.16 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, can 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 2019/20 operational managers attended the Committee to report on what progress was being made concerning consecutive unsatisfactory Internal Audit reports on the administration of the use of fuel cards by the Authority.

3.17 The Audit Committee also receives 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 are given the opportunity to challenge officers where they felt the reasons given were not justifiable.

3.18 In March 2020, the Committee received the Annual Performance Review of the Investment Committee.

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

3.19 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.

3.20 The Treasury Outturn Report 2018/19 was presented and noted by the Committee in September with a mid-year Treasury Report for 2019/20 presented in November.

3.21 Treasury Policy and Strategy was the subject of a paper presented to the Committee in January 2019.

3.22 The Committee receives quarterly reports on the monitoring of reserves.

4 RESOURCE IMPLICATIONS

None.

5 CONSULTEES

Chief Internal Auditor.

6 RESULTS OF CONSULTATION:

Report agreed.

7 BACKGROUND PAPERS

Audit Committee Agendas and Minutes 2019/20

8 AUTHOR AND CONTACT DETAILS

Philip White, Chair, on behalf of the Audit Committee



REPORT

SUBJECT:	TREASURY OUTTURN REPORT 2019/20
MEETING:	Audit Committee
DATE:	30th July 2020
DIVISIONS/WARD AFFECTED:	All

1. **PURPOSE:**

- 1.1. During 2019/20, the Council's treasury management activity was underpinned by CIPFA's Code of Practice on Treasury Management 2011 ("the Code"), which required local authorities to annually produce Prudential Indicators and a Treasury Management Strategy Statement on their likely financing and investment activity. The Code also recommended that members are informed of treasury management activities at least twice a year. The S151 Officer reports twice a year (mid-year and after the year-end) on Treasury activity to the Audit Committee who provide scrutiny of treasury policy, strategy and activity on behalf of the Council.

2. **RECOMMENDATIONS:**

- 2.1. That Members note the results of treasury management activities and the performance achieved in 2019/20 as part of their delegated responsibility to provide scrutiny of treasury policy, strategy and activity on behalf of the Council.

3. **SUMMARY OF ISSUES:**

- 3.1. In respect of external influences, the UK's exit from the European Union and future trading arrangements, has remained one of the major influences on the UK economy and sentiment during 2019/20. The 29th March 2019 Brexit deadline was extended to 12th April, then to 31st October and finally to 31st January 2020.
- 3.2. Alongside this the outbreak of the Coronavirus pandemic which had first appeared in China in December 2019, started spreading across the globe causing plummeting sentiment and falls in financial markets not seen since the Global Financial Crisis as part of a flight to quality into sovereign debt and other perceived 'safe' assets.
- 3.3. In response to the spread of the virus and sharp increase in those infected, the government enforced lockdowns, central banks and governments around the world cut interest rates and introduced massive stimulus packages in an attempt to reduce some of the negative economic impact to domestic and global growth.
- 3.4. In a local context the treasury strategy of the Authority remained as keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

- 3.5. At the 31st March 2020 the Authority had a borrowing CFR Capital Financing Requirement (CFR) of £187.0m and gross external borrowing of 186.9m. Borrowing has increased in year by £8.5m (see section 8), which primarily relates to the capital expenditure which was incurred and funded by borrowing.
- 3.6. In year, the Authority's total treasury investments increased by £7.3m to £27.6m primarily due to higher year end balances related to the Authority's ongoing response to the Covid19 pandemic (see section 6 for further details). The Authority continues to hold a minimum of £10m of investments to meet the requirements of a professional client under the Mifid II regulations (Markets in financial instruments directive).
- 3.7. £3m of the Authority's investments are held in externally managed strategic pooled multi-asset and property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an average total return -5.31%, comprising a 4.29% income return which is used to support services in year, and -9.48% of unrealised capital loss. Further details can be found in section 9 of this report.
- 3.8. As shown in section 11 the Authority achieved a saving of £368,000 against net treasury budgets of £3.99m.
- 3.9. As reported in sections 12 and 13, the Authority complied with the Cipfa code of practice on treasury management and the approved 2019/20 Treasury management strategy, during the year.
- 3.10. The ongoing Covid19 pandemic will continue to have a significant financial impact on the Authority and consequently its treasury management activity during the 2020/21 financial year. At the time of writing it is felt that the existing Treasury Strategy approved for the 2020/21 financial year provides the required flexibility both in terms of investment and borrowing approach to respond the challenges faced. The mid-year treasury report for 2020/21 will give a further update on the evolving situation.

4. **INTRODUCTION**

- 4.1. The Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual reports.
- 4.2. The Authority's treasury management strategy for 2019/20 was approved by Council on 7th March 2019. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the risk of loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.
- 4.3. Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 4.4. The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 19th September 2019.

5. EXTERNAL CONTEXT

- 5.1. **Economic background:** The UK's exit from the European Union and future trading arrangements, had remained one of major influences on the UK economy and sentiment during 2019/20. The 29th March 2019 Brexit deadline was extended to 12th April, then to 31st October and finally to 31st January 2020. Politics played a major role in financial markets over the period as the UK's tenuous progress negotiating its exit from the European Union together with its future trading arrangements drove volatility, particularly in foreign exchange markets. The outcome of December's General Election removed a lot of the uncertainty and looked set to provide a 'bounce' to confidence and activity.
- 5.2. The headline rate of UK Consumer Price Inflation UK Consumer Price Inflation fell to 1.7% y/y in February, below the Bank of England's target of 2%. Labour market data remained positive. The ILO unemployment rate was 3.9% in the three months to January 2020 while the employment rate hit a record high of 76.5%. The average annual growth rate for pay excluding bonuses was 3.1% in January 2020 and the same when bonuses were included, providing some evidence that a shortage of labour had been supporting wages.
- 5.3. GDP growth in Q4 2019 was reported as flat by the Office for National Statistics and service sector growth slowed and production and construction activity contracted on the back of what at the time were concerns over the impact of global trade tensions on economic activity. The annual rate of GDP growth remained below-trend at 1.1%.
- 5.4. Then coronavirus swiftly changed everything. COVID-19, which had first appeared in China in December 2019, started spreading across the globe causing plummeting sentiment and falls in financial markets not seen since the Global Financial Crisis as part of a flight to quality into sovereign debt and other perceived 'safe' assets.
- 5.5. In response to the spread of the virus and sharp increase in those infected, the government enforced lockdowns, central banks and governments around the world cut interest rates and introduced massive stimulus packages in an attempt to reduce some of the negative economic impact to domestic and global growth.
- 5.6. The Bank of England, which had held policy rates steady at 0.75% through most of 2019/20, moved in March to cut rates to 0.25% from 0.75% and then swiftly thereafter brought them down further to the record low of 0.1%. In conjunction with these cuts, the UK government introduced a number of measures to help businesses and households impacted by a series of ever-tightening social restrictions, culminating in pretty much the entire lockdown of the UK.
- 5.7. The US economy grew at an annualised rate of 2.1% in Q4 2019. After escalating trade wars and a protracted standoff, the signing of Phase 1 of the trade agreement between the US and China in January was initially positive for both economies, but COVID-19 severely impacted sentiment and production in both countries. Against a slowing economic outlook, the US Federal Reserve began cutting rates in August. Following a series of five cuts, the largest of which were in March 2020, the Fed Funds rate fell from of 2.5% to range of 0% - 0.25%. The US government also unleashed a raft of COVID-19 related measures and support for its economy including a \$2 trillion fiscal stimulus package. With interest rates already on (or below) the floor, the European Central Bank held its base rate at 0% and deposit rate at -0.5%.
- 5.8. **Financial markets:** Financial markets sold off sharply as the impact from the coronavirus worsened. After starting positively in 2020, the FTSE 100 fell over 30% at its worst point with stock markets in other countries seeing similar huge falls. In March sterling touch its lowest level against the dollar since 1985. The measures implemented by central banks and governments helped restore some confidence and financial markets have rebounded in recent weeks but remain extremely volatile. The flight to quality caused gilts yields to fall substantially. The 5-year benchmark falling from 0.75% in April 2019

to 0.26% on 31st March. The 10-year benchmark yield fell from 1% to 0.4%, the 20-year benchmark yield from 1.47% to 0.76% over the same period. 1-month, 3-month and 12-month bid rates averaged 0.61%, 0.72% and 0.88% respectively over the period.

- 5.9. Since the start of the calendar 2020, the yield on 2-year US treasuries had fallen from 1.573% to 0.20% and from 1.877% to 0.61% for 10-year treasuries. German bund yields remain negative.
- 5.10. **Credit review:** In Q4 2019 Fitch affirmed the UK's AA sovereign rating, removed it from Rating Watch Negative (RWN) and assigned a negative outlook. Fitch then affirmed UK banks' long-term ratings, removed the RWN and assigned a stable outlook. Standard & Poor's also affirmed the UK sovereign AA rating and revised the outlook to stable from negative. The Bank of England announced its latest stress tests results for the main seven UK banking groups. All seven passed on both a common equity Tier 1 (CET1) ratio and a leverage ratio basis. Under the test scenario the banks' aggregate level of CET1 capital would remain twice their level before the 2008 financial crisis.
- 5.11. After remaining flat in January and February and between a range of 30-55bps, Credit Default Swap spreads rose sharply in March as the potential impact of the coronavirus on bank balance sheets gave cause for concern. Spreads declined in late March and through to mid-April but remain above their initial 2020 levels. NatWest Markets Plc (non-ringfenced) remains the highest at 128bps and National Westminster Bank Plc (ringfenced) still the lowest at 56bps. The other main UK banks are between 65bps and 123bps, with the latter being the thinly traded and volatile Santander UK CDS.
- 5.12. While the UK and Non-UK banks on the Arlingclose counterparty list remain in a strong and well-capitalised position, the duration advice on all these banks was cut to 35 days in mid-March.
- 5.13. Fitch downgraded the UK sovereign rating to AA- in March which was followed by a number of actions on UK and Non-UK banks. This included revising the outlook on all banks on the counterparty list to negative, with the exception of Barclays Bank, Rabobank, Handelsbanken and Nordea Bank which were placed on Rating Watch Negative, as well as cutting Close Brothers long-term rating to A-. Having revised their outlooks to negative, Fitch upgraded the long-term ratings on Canadian and German banks but downgraded the long-term ratings for Australian banks. HSBC Bank and HSBC UK Bank, however, had their long-term ratings increased by Fitch to AA-.

6. LOCAL CONTEXT

- 6.1. 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

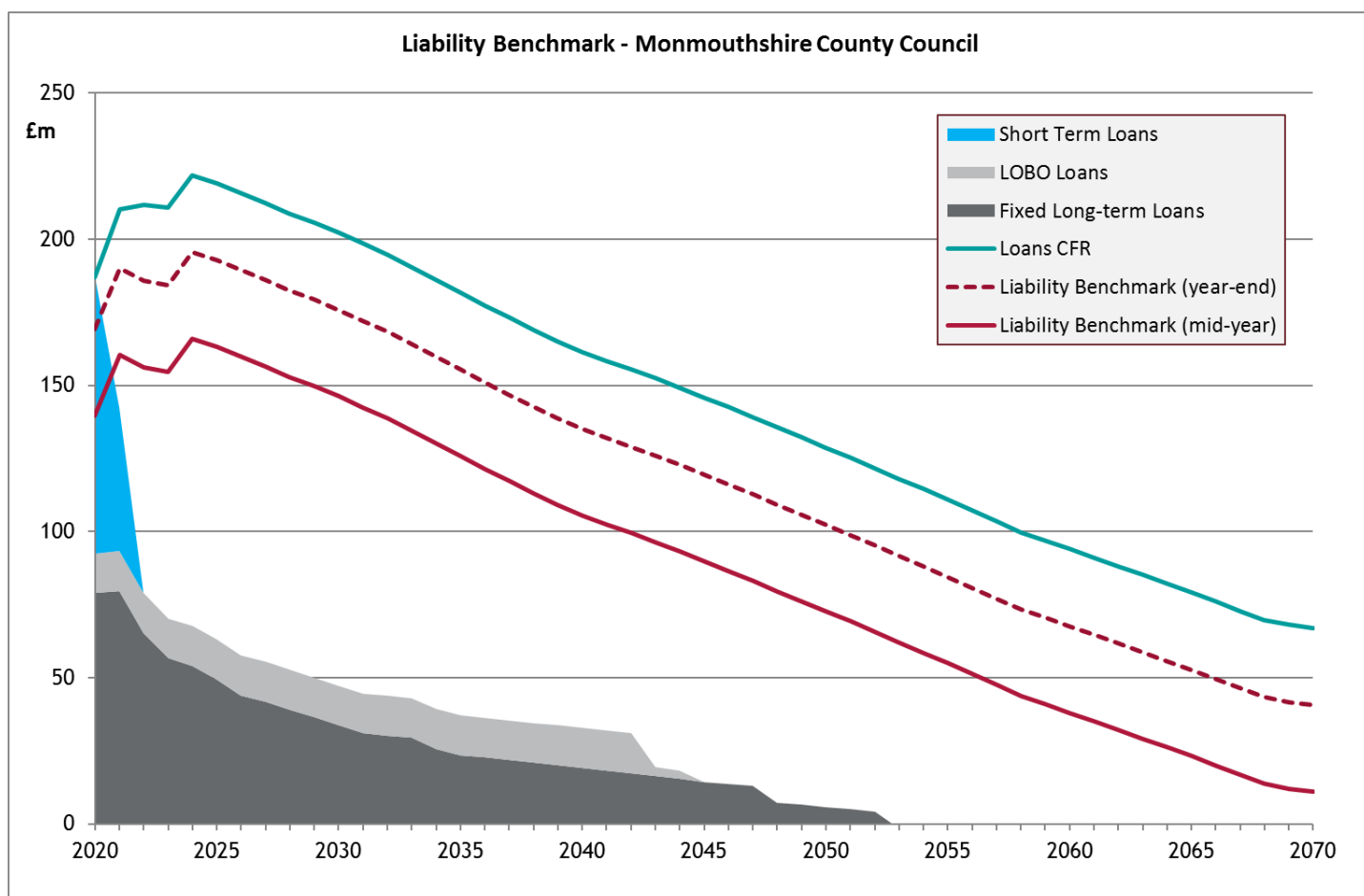
	31.3.19 Actual £m	Movement Actual £m	31.3.20 Actual £m
General Fund CFR	186.3	3.2	189.5
Less: *Other debt liabilities	(2.4)	(0.0)	(2.4)
Borrowing CFR	183.9	3.1	187.0
External borrowing	(178.3)	(8.6)	(186.9)
Internal borrowing	5.6	(5.5)	0.1
Less: Usable reserves	(18.1)	(0.4)	(18.5)
Less: Working capital	(7.9)	(1.4)	(9.3)

(Net Investments) at 31st March 2019	(20.4)	(7.2)	(27.6)
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* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

6.2. The Authority pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

6.3. The estimated borrowing requirement as determined by the Liability Benchmark (year-end) is shown in graphical form below. The Authority's existing external borrowing (in the form of Short terms loans, LOBO loans and Fixed term loans) is then compared to this benchmark to demonstrate the future borrowing requirement not already committed to.



6.4. The treasury management position at 31st March 2020 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.19 Balance £m	Movement £m	31.3.20 Balance £m	31.3.20 Rate %
Long-term borrowing	106.6	(13.4)	93.2	3.5
Short-term borrowing	71.7	22.0	93.7	1.0
Total borrowing	178.3	8.6	186.9	2.2

Long-term investments	0.0	0.0	0.0	N/A
Short-term investments	9.0	(6.0)	3.0	0.5
Pooled Funds	2.0	0.7	2.7	4.3
Cash and cash equivalents	9.3	12.6	21.9	Included in ST above
Total investments	20.3	7.3	27.6	0.9
Net Borrowing	158.0	1.3	159.3	

6.5. The balance of Cash & cash equivalents at the 31st March 2020 was significantly higher than the previous year end due to the events surrounding the outbreak of the Covid19 pandemic and the financial response required by the Authority which resulted in treasury balances being made liquid and easily obtainable to allow a flexible response to the developing situation.

7. **BORROWING UPDATE**

7.1. On 9th October 2019 the PWLB raised the cost of certainty rate borrowing by 1% to 1.8% above UK gilt yields as HM Treasury was concerned about the overall level of local authority debt. PWLB borrowing remains available but the margin of 180bp above gilt yields appears relatively very expensive. Market alternatives are available and new products will be developed; however, the financial strength of individual authorities will be scrutinised by investors and commercial lenders.

7.2. The Chancellor's March 2020 Budget statement included significant changes to Public Works Loan Board (PWLB) policy and launched a wide-ranging consultation on the PWLB's future direction.

7.3. The consultation titled "Future Lending Terms" represents a frank, open and inclusive invitation, allowing key stakeholders to contribute to developing a system whereby PWLB loans can be made available at improved margins to support qualifying projects. It contains proposals on allowing authorities that are not involved in "debt for yield" activity to borrow at lower rates as well as stopping local authorities using PWLB loans to buy commercial assets primarily for yield without impeding their ability to pursue their core policy objectives of service delivery, housing, and regeneration. The consultation also broaches the possibility of slowing, or stopping, individual authorities from borrowing large sums in specific circumstances.

7.4. The consultation closes on 31st July 2020 with implementation of the new lending terms expected in the latter part of this calendar year or financial year beginning 2021/22.

8. **BORROWING STRATEGY**

8.1. At 31st March 2020 the Authority held £186.9m of loans, an increase of £8.5m from 31st March 2019, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 31st March are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.19	Net Movement	31.3.20	31.3.20	31.3.20
	Balance		Balance	Weighted Average	Weighted Average
	£m	£m	£m	Rate	Maturity

				%	(years)
Public Works Loan Board	85.7	3.4	89.1	3.2	15.5
Banks (LOBO)	13.6	0.0	13.6	4.8	21.8
Welsh Gov Interest Free	4.7	0.5	5.2	0.0	4.2
Temporary/Short term Local authorities/Other	74.4	4.5	78.9	0.9	0.3
Total borrowing	178.4	8.5	186.9	2.2	9.2

- 8.2. 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.
- 8.3. With short-term interest rates remaining much lower than long-term rates, the Authority considered it more cost effective in the near term to use internal resources or borrowed rolling temporary / short-term loans instead where possible. The net movement in temporary / short-term loans is shown in table 3 above.
- 8.4. The Authority has an increasing CFR due to the capital programme and an estimated borrowing requirement as determined by the Liability Benchmark which also takes into account usable reserves and working capital. Having considered the appropriate duration and structure of the borrowing need based on realistic projections, it was decided to take out a combination of medium term maturity loans during the year which provide some longer-term certainty and stability to the debt portfolio. The Authority borrowed the following medium term fixed rate loans:

Table 4: Longer dated loans entered into

Longer-dated Loans borrowed	Amount £m	Rate %	Period (Years)
PWLB Maturity Loan	2.0	1.33	5.0
PWLB Maturity Loan	2.0	1.51	10.0
PWLB Maturity Loan	1.5	1.16	5.5
PWLB Maturity Loan	1.5	1.28	9.5
Total	7.0		

- 8.5. The Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short and longer-term borrowing was maintained.
- 8.6. As this year has illustrated, PWLB funding margins have lurched quite substantially and there remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields plus 0.80%, i.e. the current PWLB HRA borrowing rate. The Authority will evaluate and pursue these lower cost solutions and opportunities with its advisor Arlingclose.
- 8.7. **LOBO loans:** 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 as 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 year.

9. TREASURY INVESTMENT ACTIVITY

- 9.1. The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged between

£10m and £41m due to timing differences between income and expenditure. The investment position at year end is shown in table 5 below.

Table 5: Treasury Investment Position

	31.3.19	Net	31.3.20	31.3.20	31.3.20
	Balance	Movement	Balance	Income	Weighted
	£m	£m	£m	Return	Average
				%	Maturity
					days
Banks & building societies (unsecured)	4.0	(2.0)	2.0	Average 0.52%	£8m overnight; Rest up to 180 days
Government (incl. local authorities)	12.9	(2.0)	10.9		
Money Market Funds	1.5	10.5	12.0		
Multi asset income, Pooled funds	2.0	0.7	2.7	4.29%*	N/A
Total investments	20.4	7.2	27.6		

*Multi Asset Income funds have a capital return of -9.48% for Year Ending 31.03.20 to give a total Return of -5.31%.

- 9.2. 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 treasury investments before seeking the optimum 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.
- 9.3. Given the increasing risk and low returns from short-term unsecured bank investments, the Authority has continued to diversify into more secure and/or higher yielding asset classes as shown in table 5 above. As a result, investment risk was diversified while the average income return has remained broadly similar to 2018/19 despite a falling interest rate environment.
- 9.4. The progression of risk and return metrics are shown in the extracts from Arlingclose’s quarterly investment benchmarking in Table 6 below.

Table 6: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return
					%
31.03.2019	AA-	3.84	35%	36	0.26
31.03.2020	AA-	4.01	64%	2	0.30
Similar LAs	AA-	3.88	29%	27	0.44
All LAs	AA-	4.03	56%	20	0.64

- 9.5. £3m of the Authority’s investments are held in externally managed strategic pooled multi-asset and property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an average total return -5.31%, comprising a 4.29% income return which is used to support services in year, and -9.48% of unrealised capital loss.

- 9.6. In a relatively short period since the onset of the COVID-19 pandemic, the global economic fallout was sharp and large. Market reaction was extreme with large falls in equities, corporate bond markets and, to some extent, real estate echoing lockdown-induced paralysis and the uncharted challenges for governments, businesses and individuals. Volatility measured by the VIX index was almost as high as during the global financial crisis of 2008/09 and evidenced in plummeting equity prices and the widening of corporate bond spreads, very close to rivalling those twelve years ago. Gilt yields fell but credit spreads widened markedly reflecting the sharp deterioration in economic and credit conditions associated with a sudden stagnation in economies, so corporate bonds yields (comprised of the gilt yield plus the credit spread) rose and prices therefore fell.
- 9.7. The unrealised capital losses will not have an impact on the General Fund as the Authority has elected to present changes in the funds' fair values in other comprehensive income (FVOCI).
- 9.8. In November 2019 the Welsh Government published new Statutory Guidance on Local Government Investments to be effective from the 2020/21 financial year. This involves a complete re-write along the lines of the guidance issued last year by the Ministry of Housing, Communities and Local Government (MHCLG) for local authorities in England.
- 9.9. The definition of investments is widened to include "all of the financial and non-financial assets a local authority has invested money into primarily or partially for the purpose of generating a surplus including investment property" providing it has been made using the power to invest contained in the Local Government Act 2003. In addition, loans to wholly-owned companies or associates, to a joint venture, or to a third party count as investments, irrespective of the purpose or legal power used.

10. **NON-TREASURY INVESTMENTS**

- 10.1. The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Investment Guidance issued by Ministry of Housing, Communities and Local Government's (MHCLG) and Welsh Government, in which the definition of investments is further broadened to also include all such assets held partially for financial return.
- 10.2. The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return.
- 10.3. The Authority held a book value of £35.4m of such non-financial asset investments at the 31st March 2020 (£34.0m as at 31st March 2019) made up of:
- Oak Grove Solar Farm £6.76m NBV
 - Castlegate Business Park & service loan £7.65m NBV
 - Newport Leisure Park & service loan £21.0m NBV
- 10.4. The rest of the Authority's Investment Properties have been held for over a decade and are retained purely for income or capital gain :
- Agricultural Properties £25.7m NBV
 - Industrial Properties and Retail Units £2.75m NBV
- 10.5. These investments generated approximately £2.58m of investment income for the Authority after taking account of direct costs and contributes to supporting the Authority's ongoing revenue budget.

11. TREASURY PERFORMANCE

11.1. The Authority measures the financial performance of its treasury management activities in terms of its impact on the revenue budget as shown in the table below:

Table 7: Performance

Interest Payable	Actual £'000	Budget £'000	Over/ (under)
PWLB	2,817	2,915	(98)
Market loans	653	653	0
Short term loans	625	627	(2)
Total Interest payable on borrowing	4,095	4,195	(100)
Interest Receivable	Actual £'000	Budget £'000	Over/ (under)
Invested cash short term	(139)	(205)	66
Pooled Funds	(119)	Included above	(119)
Finance lease income	(64)	Included above	(64)
Recoupment	(151)	0	(151)
Total income from Investments	(473)	(205)	(268)
Net Over/(Under)spend	3,622	3,990	(368)

12. COMPLIANCE

12.1. The acting Section 151 officer reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in tables below.

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

Table 8: Debt Limits

	2019/20 Maximum during year £m	31.3.20 Actual £m	2019/20 Operational Boundary £m	2019/20 Authorised Limit £m	Complied? Yes/No
Borrowing	186.9	186.9	189.7	219.9	Yes
PFI, Finance Leases & Other LT liabs	2.4	2.4	3.0	4.5	Yes
Total debt	189.3	189.3	192.7	224.4	Yes

12.3. 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.

Table 9: Investment Limits

	31.3.20	2019/20	Complied?
	Maximum	Limit	Yes
Local Authorities per counterparty	£2m or 10%	£2m or 10%	Yes
Banks per counterparty, rating A- or above	£2m	£2m	Yes
Any group of pooled funds under the same management	£2m	£2m	Yes
Limit per non-UK country	£2m	£4m	Yes
Money Market Funds	£2m or 10%	£2m or 10%	Yes
Investments over 1 year	£0m	£6m	Yes

13. TREASURY MANAGEMENT INDICATORS

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

13.2. **Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating and credit score 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.

Table 10: Credit Risk

	31.3.20 Actual	2019/20 Target	Complied?
Portfolio average credit	AA-/4.01	A-/5.0	Yes

13.3. **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests was:

Table 11: Interest rate exposure

Interest rate risk indicator	£000
Forecast impact on revenue over the next 12 months of a 1% rise in interest rates	621
Forecast impact on revenue over the next 12 months of a 1% fall in interest rates	(621)

13.4. The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at current rates.

13.5. **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 all borrowing were:

Table 12: Maturity Structure of borrowing

	31.3.20 Actual	Lower Limit	Upper Limit	Complied?
Under 12 months	51%	0%	60%	Yes
12 months and within 24 months	4%	0%	20%	Yes
24 months and within 5 years	7%	0%	40%	Yes
5 years and within 10 years	7%	0%	30%	Yes
10 years and above	31%	0%	100%	Yes

13.6. **Principal Sums Invested for Periods Longer than a year:** 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:

Table 13: Principal invested for period longer than a year

	2019/20	2020/21	2021/22
Actual principal invested for 365 days & beyond year end	£0m	£0m	£0m
Limit on principal invested for 365 days & beyond year end	£6m	£6m	£6m
Complied?	Yes	Yes	Yes

14. **OTHER ISSUES**

14.1. **IFRS 16:** CIPFA/LASAAC has proposed delaying the implementation of the new IFRS 16 Leases accounting standard for a further year to 2021/22. Work continues to be carried out in preparation for its introduction.

15. **OPTIONS APPRAISAL**

15.1. Not applicable.

16. **EVALUATION CRITERIA**

16.1. Not applicable.

17. **REASONS**

17.1. The Authority's Treasury Management Strategy for 2019/20 was underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011.

17.2. The code requires the Authority to set a treasury strategy each financial year for financing and investment activities and recommends 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.

18. **RESOURCE IMPLICATIONS**

18.1. The outturn position is explained in the report, there are no other resource implications arising directly from this report.

19. **WELLBEING OF FUTURE GENERATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):**

19.1. There are no implications directly arising from the recommendations and decisions highlighted in this report.

20. **CONSULTEES**

20.1. Chief Officer, Resources (Acting Section 151 officer)
Arlingclose – Treasury Management Advisors to Monmouthshire CC

21. **BACKGROUND PAPERS**

21.1. None

22. **AUTHORS:**

22.1. Jonathan Davies – Finance Manager

23. **CONTACT DETAILS**

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SUBJECT:	Strategic Risk Assessment
MEETING:	Audit Committee
DATE:	30th July 2020
DIVISIONS/WARDS AFFECTED:	All

1. PURPOSE:

- 1.1 To provide members with an overview of the current strategic risks facing the authority. This is an additional report to audit committee to provide the committee with the updated strategic risk assessment, which includes the impact of the coronavirus pandemic on strategic risks facing the Council.
- 1.2 To fulfil Audit Committee's role in providing assurance of the adequacy of the Council's risk management framework, as an important part of the Council's corporate governance arrangements.

2. RECOMMENDATIONS:

- 2.1 That members use the risk assessment to consider the effectiveness of the authority's risk management arrangements and the extent to which the strategic risks facing the authority are appropriately captured.
- 2.2 That members scrutinise, on an on-going basis, the risk assessment and responsibility holders to ensure that risk is being appropriately managed.

3. KEY ISSUES:

- 3.1 Audit Committee has a specific role in providing independent assurance of the adequacy of the Council's risk management framework. Audit committee also have a role in assessing the authority's corporate governance arrangements, of which risk management is an important part. An integral part of the Council's risk management arrangement, which is reported to Audit Committee to inform this role, is the Whole Authority Strategic Risk Register. The Strategic Risk Assessment ensures that:

- 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.

- 3.2 The strategic risk assessment is one part of the Council's risk management arrangements. Risk is managed through a variety of processes, for example, through teams' service plans, through Emergency Management Plans and business continuity arrangements, specific project and programme management arrangements, health and safety procedures and insurance arrangements.

Coronavirus (COVID-19) pandemic

- 3.3 The Coronavirus (COVID-19) pandemic has posed a significant and unprecedented challenge to how the Council continues to provide a range of vital services. The Council has continued to rise to the challenge by adapting, innovating and establishing new ways of delivering services that support residents and businesses, assists community activity and supports staff well-being. These include rapidly setting up remote working arrangements, making more services available digitally, co-ordinating a significant volunteering effort,

phoning thousands of shielded people and continuing to collect household waste and recycling from all properties. The Council continues to operate in a dynamic environment, managing and mitigating, as far as possible, a variety of risks to service delivery and the well-being of our staff and residents.

- 3.4 To deliver and coordinate the Council's immediate response to the coronavirus pandemic, it enacted its Emergency Management Plan and business continuity arrangements, working across Council services, along with external partners such as the emergency services, neighbouring local authorities and Welsh Government. As part of these arrangements, the Council established an Emergency Response Team (ERT), which was guided by an established risk register that identified a range of risks owned across a variety of council services specifically related to the COVID-19 response. This identified and put in place risk controls that were appropriate and proportionate, supported by effective operational activity to ensure, as far as possible, risk reduction/risk management. A report on these arrangements was presented to the Council's Cabinet on 6th May 2020, with a further update provided to Cabinet on 29th July 2020.
- 3.5 As the Council has progressed through its immediate response phase the Council's ERT was formally stood down and the Council's Strategic Leadership Team (SLT) took on the ongoing responsibility to oversee the ongoing response. A COVID-19 Coordinating Group has also been established, the Group meets on a weekly basis. The role of this group is to maintain oversight of the ongoing emergency response and ensure, from an emergency planning perspective, there is oversight and co-ordinated communication flowing between external and internal response structures. Service provision has begun to resume and the Council is transitioning out of the first wave to focus on supporting the re-building of community and business confidence, while recognising that coronavirus remains an active threat. Risks that remain continue to be managed in line with the Council's established risk management policy and specific arrangements set out in point 3.6. Should circumstances, evidence and guidance change emergency response arrangements can be re-implemented at any time if required.
- 3.6 Specific arrangements have also been established and operate as part of the Council's response, parts of which manage on-going risks recognising the continuing uncertainty and fast changing environment the Council is operating in. These include:
- Following the ERT being stood down COVID-19 related risks are being assessed by the COVID-19 Coordinating Group and reported into, considered and acted upon by the Strategic Leadership Team (SLT) where required. Alongside this, SLT also undertakes an ongoing review of the Whole Authority Strategic Risk Assessment.
 - The Coronavirus 'Transition' Strategy sets the Council's plans to re-build community confidence. Activity being undertaken to deliver these strategic aims will further identify action that is being undertaken to manage and mitigate, as far as possible, related risks.
 - Continuing links with external responding partner organisations via the Gwent Strategic Co-ordinating group (SCG). The SCG are responsible for setting the strategic objectives and coordination of the partner agency response to COVID-19.
 - Working with partner organisations as part of the Gwent COVID-19 Recovery Co-ordinating Group (RCG) to take a strategic overview of, and give direction to, recovery work in line with agreed priorities and timescales.

- 3.7 Arrangements are continually under review to evolve and adapt to changing circumstances, the latest evidence, learning gathered and changes to legislation and guidance. The risks identified are regularly reviewed as part of these arrangements and updated based on the latest evidence available.

Whole authority Strategic Risk Assessment

- 3.8 The Strategic Risk Assessment, latest full version attached in appendix 2, has continued to be updated based on the latest evidence, through the council's response to the Coronavirus pandemic. This is in line with the Council's strategic risk management policy; a summary of this is provided in Appendix 3. This helps ensure strategic risks are identified and assessed robustly, risk controls are put in place that are appropriate and proportionate, and risks are supported by effective activity to ensure, as far as possible, risk reduction/risk management.
- 3.9 Due to its purpose, the strategic risk assessment is a detailed document; appendix 1 provides the committee with an overview of the strategic risks on the register. There have been a number of amendments and additions to the register to ensure it accurately manages the current strategic risks facing the Council. The more significant changes, since the register was last presented to audit committee, include the addition of four new risks:
- The spread of the coronavirus (COVID-19) outbreak will impact on staff and residents health and cause delays or reductions in the Council's service delivery
 - Care Homes could be hit by an outbreak of COVID-19, affecting some of our most vulnerable residents.
 - The coronavirus pandemic could have a considerable economic impact resulting in business closures and job losses, significantly impacting on the economy in Monmouthshire and financial situation of some residents
 - The coronavirus and lockdown measures could have a disproportionately negative impact on the well-being of some sections of our communities, resulting in increased poverty and inequality

No risks have been removed from the register. Updates have been made, where required, to the existing risks, including to the reason why the risk has been identified, the assessed risk level, mitigating actions being undertaken and the progress on these. Some of the more significant changes include updating relevant risks due to the impact of the coronavirus pandemic, the impact of the flooding in the County in the winter and the outcome of the Estyn Inspection in February 2020.

- 3.10 The risk assessment only covers high and medium level strategic risks. Lower level risks, or operational risks, are not registered unless they are projected to escalate within the three years covered. These are managed and monitored through other arrangements, particularly those identified in points 3.2 and 3.6.
- 3.11 The strategic risk assessment should continue to focus on medium term risks to service delivery. The risk assessment is a living document and will evolve as new information comes to light. Therefore Audit Committee should take into account that this is the latest position up to the point the agenda was circulated. The Council continues to operate in an uncertain and fast changing environment; the strategic risk register will regularly evolve and adapt to identify, assess, manage and mitigate, as far as possible, a variety of risks to council service delivery and the well-being of our staff and residents.

- 3.12 In line with the Well-being of Future Generations Act, identification and mitigation of longer-term risks that will impact on future generations at community level, but will have a lesser impact on the medium term delivery of council services, is an area for continued development. Through working with the Public Service Board, we are developing our understanding of future risks and opportunities and how we respond to them in Monmouthshire. This will inform the strategic risk register as relevant.
- 3.13 As the Council transitions to the next phase of its response to the pandemic, and begins to support communities and businesses to re-build confidence, the Council has established a revised purpose and set of strategic aims that guide its work. Delivery will continue to be monitored and will need to be flexible in timescale and content as circumstances and guidance changes. The activity being undertaken to deliver these strategic aims will further identify action that is being undertaken to manage and mitigate, as far as possible, related risks.

4. REASONS:

- 4.1 To provide timely, relevant information on strategic risks as part of the performance management framework for ensuring the authority is well run and able to contribute to achieving the Council's purpose.

5. AUTHOR:

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Appendix 1 – Whole Authority Strategic Risk Assessment Overview - July 2020

Ref	Risk	Risk Level – Pre mitigation	Risk Level – Post mitigation
1	Potential Risk that: The authority does not remain relevant and viable for future generations due to not having a sustainable delivery model.	2020/21 – Medium	2020/21 – Low
		2021/22 – Medium	2021/22 – Low
		2022/23 – Medium	2022/23 – Low
2	Potential Risk that: Without appropriate and effective governance infrastructure, the Council may not deliver its objectives.	2020/21 – Medium	2020/21 – Low
		2021/22 – Medium	2021/22 – Low
		2022/23 – Medium	2022/23 – Low
3	Potential Risk that: The Council and partners do not make sufficient progress in delivering through regional and partnership working.	2020/21 – Medium	2020/21 – Medium
		2021/22 – Medium	2021/22 – Low
		2022/23 – Medium	2022/23 – Low
4a	Potential Risk that: Some services may become financially unsustainable in the short to medium term due to increasing demand and continuing financial pressures	2020/21 – High	2020/21 – High
		2021/22 – High	2021/22 – Medium
		2022/23 – High	2022/23 – Medium
4b	Potential Risk that: The authority is unable to deliver its political priorities or maintain key infrastructure and meet other identified pressures due to insufficient capital funding availability.	2020/21 – High	2020/21 – Medium
		2021/22 – High	2021/22 – Medium
		2022/23 – High	2022/23 – Medium
5	Potential Risk that: Reduced organisational capacity, including skills and knowledge, recruitment and retention issues, and reduced staff wellbeing, will impact on our ability to deliver organisational aims and objectives	2020/21 – Medium	2020/21 – Medium
		2021/22 – Medium	2021/22 – Medium
		2022/23 – Medium	2022/23 – Low
6	Potential Risk of: Significant harm to vulnerable children or adults due to failure of arrangements or factors outside the Council’s control	2020/21 – High	2020/21 – Medium
		2021/22 – Medium	2021/22 – Medium
		2022/23 – Medium	2022/23 – Medium
7	Potential Risk to: The robust delivery of the Council’s corporate parenting responsibility and services related to safeguarding vulnerable children as a result of an increase in demand and complexity in cases in Children’s services.	2020/21 – Medium	2020/21 – Medium
		2021/22 – Medium	2021/22 – Medium
		2022/23 – Medium	2022/23 – Medium
8	Potential Risk of: Failing to meet the needs of learners, including vulnerable learners, and failing to promote pupil well-being within Monmouthshire’s schools, which may result in children and young people not achieving their full potential.	2020/21 – High	2020/21 – High
		2021/22 – High	2021/22 – Medium
		2022/23 – Medium	2022/23 – Medium

Ref	Risk	Risk Level – Pre mitigation	Risk Level – Post mitigation
	Failing to adapt to changes in the new curriculum and examination requirements		
9	Potential Risk of: Loss or corruption of data due to cyber-attack or data mismanagement which will compromise the delivery of essential council services.	2020/21 – Medium 2021/22 – Medium 2022/23 – Medium	2020/21 – Medium 2021/22 – Medium 2022/23 – Medium
10a	Potential Risk of: A lack of appropriate infrastructure, including affordable housing, in the County to meet future needs arising due to the County's changing demography and weak economic base, external changes such as removal of the Severn Bridge tolls, and as a result of the growth of the County as set out in the emerging new Local Development Plan.	2020/21 – Medium 2021/22 – High 2022/23 – High	2020/21 – Medium 2021/22 – High 2022/23 – Low
10b	Potential Risk that: Insufficient broadband infrastructure and a lack of digital skills in the county have the potential to lead to social and economic disadvantages	2020/21 – Medium 2021/22 – Medium 2022/23 – Medium	2020/21 – Medium 2021/22 – Medium 2022/23 – Low
11	Potential Risk of: Political, legislative and financial uncertainty for council services and local businesses as a result of the UK leaving the European Union	2020/21 – High 2021/22 – High 2022/23 – Medium	2020/21 – High 2021/22 – High 2022/23 – Medium
12	Potential risk that: The authority cannot deliver its services due to potential internal/external factors resulting in service disruption due to lack of Business Continuity planning.	2020/21 – Medium 2021/22 – Medium 2022/23 – Medium	2020/21 – Medium 2021/22 – Medium 2022/23 – Medium
13	Potential risk to: Communities and public service delivery in Monmouthshire due to Global climate changes could impact on the future social, economic, environmental and cultural well-being in the County	2020/21 – High 2021/22 – High 2022/23 – High	2020/21 – High 2021/22 – High 2022/23 – High
14	Potential risk that: Declining recycling rates will prevent achievement of the Welsh Government target of 70% recycling rates throughout Wales.	2020/21 – Medium 2021/22 – Medium 2022/23 – Medium	2020/21 – Medium 2021/22 – Low 2022/23 – Low
15. New	Potential risk that: The spread of the Coronavirus (COVID-19) outbreak will impact on staff and residents health and cause delays or reductions in the Council's service delivery	2020/21 – High 2021/22 – High 2022/23 – High	2020/21 – High 2021/22 – Medium 2022/23 – Medium
16. New	Potential risks that: Care Homes could be hit by an outbreak of Covid-19, affecting some of our most vulnerable residents.	2020/21 – High 2021/22 – High 2022/23 – High	2020/21 – High 2021/22 – Medium 2022/23 – Medium

Ref	Risk	Risk Level – Pre mitigation	Risk Level – Post mitigation
17. New	Potential risk that: The coronavirus pandemic could have a considerable economic impact resulting in business closures and job losses, significantly impacting on the economy in Monmouthshire and financial situation of some Monmouthshire residents	2020/21 – High 2021/22 – High 2022/23 – High	2020/21 – Medium 2021/22 – Medium 2022/23 – Medium
18. New	Potential risk that: The coronavirus and lockdown measures could have a disproportionately negative impact on the well-being of some sections of our communities, resulting in increased poverty and inequality	2020/21 – High 2021/22 – High 2022/23 – High	2020/21 – Medium 2021/22 – Medium 2022/23 – Medium

Appendix 2: Monmouthshire County Council Whole Authority Strategic Risk Assessment – July 2020

	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective		
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level				
1.	Potential Risk that: The authority does not remain relevant and viable for future generations due to not having a sustainable delivery model.	<p>The introduction of the Well-being of Future Generations Act requires us to plan on a decadal and generational basis and our current models do not extend to this timeframe.</p> <p>The Corporate plan sets out a clear purpose and aims for an ambitious five-year programme, with many areas focused on the longer-term future of the county and which addresses many complex challenges. The council's key delivery strategies to enable this have been revised.</p> <p>We have lessened our focus on some of the priorities in the Corporate Plan to re-direct capacity towards our Coronavirus emergency response effort. To provide clarity and ensure accountability through this time Cabinet has set a COVID-19 purpose and set of strategic aims</p> <p>The Coronavirus pandemic is likely to impact on economic, social, environmental and cultural well-being of the County. There is a need to continue to understand the impact and adapt/develop plans accordingly.</p> <p>One of the Council's strategic aims is to ensure the Council remains financially sustainable. Covid-19 has heightened the existing financial challenges placed on the Council. Uncertainty remains as to whether Welsh Government funding and flexibilities will be sufficient to mitigate the additional costs and significant shortfall in income the Council is suffering.</p> <p>Since entering 2020 the Council has faced significant and unprecedented challenges from flooding and the COVID-19 pandemic and resulting lockdown restrictions. Each of these</p>	2020/21	Possible	Major	Medium	Implement and track progress of the revised key delivery strategies: Digital Strategy, People Strategy and Asset Management Strategy.	Chief Officer Resources Timescales as per strategies	The council's key delivery strategies to enable the delivery of the Corporate Plan have been revised. The revised strategies continue to be implemented and activity has been embedded in the relevant service business plans.	2020/21	Unlikely	Major	Low	Paul Matthews & Cllr Peter Fox	Select Committee: All Objectives: All		
			2021/22	Possible	Major	Medium				2021/22	Unlikely	Major	Low				
			2022/23	Possible	Major	Medium	Revise strategies where necessary based on learning and impact from the Coronavirus response		Activity on updating strategies has been delayed or will need to be reconsidered in light of the Coronavirus response.	2022/23	Unlikely	Major	Low				
							Continue to monitor progress with delivery of the Corporate Plan and keep under review in consideration of the impact and learning of the coronavirus pandemic on the Council and county.	Senior Leadership Team, ongoing	A mid-term review of the commitments in the Corporate Plan has been completed, approved and published in March 2020.								
							Review the aspirations in the Corporate Plan as we face up to a new financial reality and the response needed to changing issues of well-being in the county.		To provide clarity and ensure accountability through our response to the coronavirus pandemic, a set of strategic aims were set by Cabinet in May. These were updated in July. We have lessened our focus on some of the priorities in the Corporate Plan to re-direct capacity towards dealing with COVID-19								
							Strengthen medium to long term strategic financial planning as part of the Medium Term Financial Plan and adapt to reflect the impact of the coronavirus pandemic.	Chief Officer Resources, March 2021	The Council's medium term financial planning has been severely disrupted by the impact of the Coronavirus pandemic on the Council's finances. Council received a position statement on 16 th July								
									The Council was already facing financial challenges. The pandemic has accentuated the challenge. Understanding the current financial circumstances and challenges resulting from the COVID-19 pandemic will in turn lead the Council to need to plan and plot a revised course to ensure it remains financially sustainable into the future.								
									A budget recovery plan together with further budget savings proposals is being developed and that will be considered by Cabinet in September								

Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective	
		Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level			
		draws significantly on the Council’s resources, both in terms capacity and finances and places an unprecedented strain on the Council. Council received a report on 16 th June which highlighted that In the extent of the financial challenge, is in a range between a £3 million and £10.4m over-spend for 2020/21.” Further detail was then provided to Cabinet on 29 th July as part of the month 2 forecast outturn report.						before being recommended to Council in October for approval. This will subsequently inform the budget setting process for 2021/22 and the medium-term financial plan.							
						Apply and update learning from work on future trends and plan for how they might impact at a local level in Monmouthshire.	Head of Policy and Governance Ongoing	The learning from work on future trends undertaken with the Public Service Board will need to continue to be applied in strategic planning and evidence continue to be updated to ensure trends that could impact on the local level are considered. Working with the Public Service Board we are developing our understanding of future risks and opportunities and how we respond to them in Monmouthshire.							
2.	Potential Risk that: Without appropriate and effective governance infrastructure, the Council may not deliver its objectives.	Good governance is a fundamental part of local authority working; arrangements are multifaceted and need to be subject to continuing review to ensure they are effective. The Well-being of Future Generations Act sets longer-term goals we need to work towards, and the ways of working we need to adopt. To implement this will require changes to the way we work. New joint arrangements require robust governance arrangements to be established. Monmouthshire County Council recognises the important and valuable contribution made by volunteers in enhancing service delivery. There is a need to continue to formalise arrangements for the role of volunteers in service delivery and set out the terms governing their engagement and ongoing relationship with the Council. There has been a significant volunteer response to Covid-19 pandemic, work will be required to continue to support an increased volunteer network and ensure	2020/21	Possible	Substantial	Medium	Update the Councils’ constitution to ensure it reflects recent changes in legislation and governance.	Monitoring Officer	In December 2017, Council adopted changes to the council’s constitution.	2020/21	Unlikely	Substantial	Low	Matthew Gatehouse and Matthew Phillips & Cllr Paul Jordan	Select Committees: Audit Committee Objectives: All
			2021/22	Possible	Substantial	Medium		December 2020	A thorough review is currently being undertaken to ensure it reflects the latest legislation and council’s governance structures. This was due to be presented to Council in May 2020, activity has been delayed in light of the Coronavirus response with efforts focused on implementing legislation related to the coronavirus pandemic	2021/22	Unlikely	Substantial	Low		
			2022/23	Possible	Substantial	Medium				2022/23	Unlikely	Substantial	Low		
							Submit evidence in response to the Local Government & Elections (Wales) Bill	Head of Policy and Governance,	A consultation response has been submitted to the Committee scrutinising the Bill.						
							Work with the Democratic Services Committee to respond to areas in the Bill which require changes to MCC processes	February 2021	The potential financial cost of changes to the council chamber to reflect the impact of boundary changes and updates to equipment to sustain live streaming have been recognised in the capital budget. A new post of Policy and Scrutiny Officer has been appointed, which will help create the capacity to increase participation in local democracy.						
							Manage our actions in response to Estyn, CIW and WAO via existing mechanisms	Senior Leadership Team, timetable as per action plans	The Council has arrangements in place to respond to regulatory reports and where necessary, these are reported to the relevant committees.						

Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
		Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
	<p>longer term arrangements are in place.</p> <p>The Local Government and Elections Bill was published in November 2019. The Bill is a significant and substantial piece of legislation and includes provision related to democracy, regional working, structures, governance and performance.</p> <p>Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020 came into force in April 2020 in response to the impact of the pandemic, the limitations of the lockdown and existing legal requirements applicable to local authorities. They aim to overcome those limitations to allow democratic processes and decision making to continue.</p> <p>During the Covid-19 pandemic, there have been significant changes to the way in which the Council operates. Governance mechanisms have been developed and established digitally, these will need to continue to be reviewed to identify ways of working that have improved efficiency, and identify where these can be developed going forward.</p> <p>The latest Audit Wales Annual Improvement Report (AIR) concludes, “Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2019-20.” There remains proposals for improvement from Wales Audit Office relating to the Councils’ governance and scrutiny arrangements that are still being addressed.</p>					<p>Deliver the implementation plan for the volunteering policy (adopted in December 2017) in all service/business areas and continued implementation of the Volunteer toolkit.</p> <p>Continue to assess the volunteer response during the Covid-19 pandemic and identify learning that should be adopted and developed to support volunteers</p>	<p>HR Manager & Communities and Partnership Development Team</p> <p>Timescale as implementation plan</p>	<p>Monmouthshire, A County That Serves (ACTS) volunteering programme is helping to highlight and support volunteering opportunities available within the county. A volunteering toolkit and network are in place and Leading Volunteering training is delivered to staff that support volunteers.</p> <p>A Volunteer Kinetic digital management system is in place. Service area champions have also been introduced to ensure that all current and new volunteers are recruited through the appropriate channels. In June 2019, the first Volunteering Conference was held to put volunteering at the forefront of council planning for the future.</p> <p>The COVID-19 pandemic has seen a tremendous response in relation to the mobilisation of volunteering and community groups. We established the Community Support Structure to assist people needing support being coordinated with the offers of support. Work will be required to continue to support an increased volunteer network and longer term arrangements will need to be considered to ensure we can support our community volunteering network to provide long-term benefit to our communities.</p>						
						<p>Adapt arrangements to apply Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020</p>	<p>Head of Law/Monitoring Officer, Head of Policy and Governance</p> <p>September 2020</p>	<p>Arrangements have been adapted to apply the Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020. All decision-making and committee meetings have been stood back up.</p> <p>Committees are being held remotely via the Microsoft Teams app and the system is proving successful.</p> <p>Work will continue to gather learning from the new ways of working adopted during the COVID-19 pandemic and to identify efficiencies</p>						

	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
								and improvements to arrangements that need to be retained or built on.							
3.	Potential Risk that: The Council and partners do not make sufficient progress in delivering through regional and partnership working.	The Future Generations Act 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. The PSB well-being plan has been established; the activity that will contribute to the delivery of the plan has been allocated to lead organisations. Progress is overseen by Programme Board and scrutinised by the Public Services Select Committee The Coronavirus pandemic is likely to impact on economic, social, environmental and cultural well-being of the County. There is a need to continue to work with partners to understand the impact and adapt/develop partnership working accordingly The Council is already part of regional and partnership-working arrangements in a variety of services; some of these require further development, for example, Joint Scrutiny of the Cardiff Capital Region is in its infancy.	2020/21 2021/22 2022/23	Possible Possible Possible	Substantial Substantial Substantial	Medium Medium Medium	To deliver the Public Service Board Well-being plan, implement a delivery framework and ensure scrutiny via the Public Services Select Committee. Work with partners to understand the impact of the coronavirus pandemic and adapt/develop partnership working accordingly.	Head of Policy & Governance and Community & Partnership Development Manager September 2020	The Public Service Board has published its first annual report for 2018/19, which sets out the progress made so far by the PSB to deliver the objectives set out in the well-being plan, with a particular focus on the six steps prioritised by the PSB. Supported by the Council's Community and Partnership team, the PSB is developing a detailed action plan and performance management arrangements that capture the activity to deliver each step and link to the activity of the wider partnership groups that support delivery. Regional working with other PSB's in Gwent on some of the common well-being issues identified in well-being plans continues to be progressed. Opportunities and options to further strengthen partnership working between Gwent PSB's are being explored. A change in title and terms of reference has been agreed for the Public Service Board Select Committee. The newly entitled Public Services Select Committee will allow for wider scrutiny of public service provision and, where powers allow, will provide greater accountability of services delivered in collaboration or by external partners.	2020/21 2021/22 2022/23	Possible Unlikely Unlikely	Substantial Substantial Substantial	Medium Low Low	Matthew Gatehouse, Cllr Peter Fox & Cllr Paul Jordan	Select Committees: Audit Committee Public Services Select Committee Objectives: All
							Submit evidence in response to the Local Government & Elections (Wales) Bill. Work with Welsh Government on the development of Corporate Joint Committees	Head of Policy and Governance, December 2020	A consultation Response has been submitted to the Committee scrutinising the Bill. Officers continue to engage with Welsh Government on the development of the Corporate Joint Committees which will provide the structure for collaborative working in the areas prescribed within s79(3) of The Bill						
4a.	Potential Risk that: Some services may become financially unsustainable in	After several years of taking significant resource out of the budget the means of achieving	2020/21	Likely	Major	High	Ensure that services deliver within budget, deliver savings targets and continue to identify, review and challenge pressures.	Chief Officer Resources March 2021	The revenue outturn for 2019/20 showed an overall net surplus on the revenue account of £1.8m. This surplus has arisen due to the	2020/21	Likely	Major	High	Peter Davies and Cllr Phil Murphy	Select Committee: All

Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
		Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
the short to medium term due to increasing demand and continuing financial pressures	further savings is increasingly more challenging.	2021/22	Likely	Major	High			application of two one off items which mitigate a net deficit on services of £3.76m. The surplus was generated through the Council maximising flexible use of capital receipts and to enable the Council Fund to be supplemented by £1.8m to assist with the 2020/21 budget challenges, and that have increased as a result of the COVID-19 pandemic.	2021/22	Possible	Major	Medium		Objectives: All
	Budget assumptions modelled in September 2019 indicated a gap of £5.39 million in 2020/21 rising to a gap of £21.07 million over the medium term.	2022/23	Likely	Major	High			However this position should not distract from the underlying financial challenges that have to be addressed. Specific pressures remain in particular in additional learning needs, social care generally and children's services specifically, passenger transport, waste, car parking and Monlife activities.	2022/23	Possible	Major	Medium		
	Further work will be undertaken to develop the MTFP and that will include an ongoing assessment of pressures, risks and modelling assumptions													
	Funding from Welsh Government has reduced in recent years. The Welsh Government settlement increase for Monmouthshire in 2020/21 is the lowest of any Council in Wales at 3%. Welsh Government funding is not adequate to meet the significant financial pressures the council faces							The council had brought forward budget savings proposals for 2020/21 of £8.5m to manage budget pressures of £9.5m, alongside a disappointing Welsh Government settlement where the extent of pressures on services were not recognised. The Council was already facing financial challenges. The pandemic has accentuated the challenge. The ongoing COVID19 crisis presents its own additional financial challenges and uncertainty both in terms of additional cost and significant loss of income across services.						
	Pressures on the budget have been increasing in terms of demographic growth, demand on services and expectations, and pay and pension increases. Specific areas with pressures include additional learning needs, social care generally and children's services specifically, passenger transport, waste, car parking and Monlife activities.													
	The Council finalised its draft accounts for 19/20 with useable capital receipts of only £3.2m, a Council Fund balance of £8.5m and useable earmarked reserves of £6.4m (of which there is planned use that will reduce earmarked reserves to £5.4m at the end of 2020/21).					Produce a budget recovery plan for 2020/21, together with a proposed set of budget savings proposal	Chief Officer Resources October 2020	The budget proposals for 2020/21 saw a continuation of our preparedness to challenge all services to sustain themselves rather than to see the closure of services that matter to citizens and consider supporting commitments set out in the Corporate Plan.						
	Along with the rest of the organisation, schools are facing a challenging financial settlement. School balances have been declining over a number of years and for the year end 2018-19, balances were in a collective deficit. 15 schools							The Council was already facing financial challenges. The pandemic has accentuated the challenge due to services and existing capacity being redirected and redeployed to ensure the Council met its core purpose of protecting life. This has seen additional unbudgeted costs being incurred.						

Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
		Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
	<p>started 2019/20 financial year in deficit compared to 17 schools finishing the year in deficit.</p> <p>This position is a concern to the Local Authority, if the deficit balances for schools continue to increase this could, over time, have an impact on the overall reserves for MCC.</p> <p>The Council was already facing financial challenges. The pandemic has accentuated the challenge and followed shortly after the flood response and recovery resulting from Storms Ciara and Dennis in February 2020</p> <p>Financial Forecasts are being prepared on assumptions that are uncertain. The forecasts will be supplemented by sensitivity analysis and risk assessments. In order to highlight the extent of the financial challenge, the range is anywhere between a £3 million and £10.4m over-spend for 2020/21</p> <p>One of the Council's strategic aims is to ensure the Council remains financially sustainable. Covid-19 has heightened the existing financial challenges placed on the Council. Uncertainty remains as to whether Welsh Government funding and flexibilities will be sufficient to mitigate the additional costs and significant shortfall in income the Council is suffering.</p>						<p>Many income generating services have had to stop in order to comply with UK and Welsh Government guidance. The income loss and shortfall is significant and ongoing. There is delay in the implementation of some budget savings proposals for 2020/21 as a result of people directed elsewhere to respond to the pandemic.</p> <p>A report will be considered by Cabinet at its meeting on the 29th July that will provide a 'point in time' assessment and forecast for 2020/21. Forecasts are being prepared on assumptions that are uncertain. The forecasts will be supplemented by sensitivity analysis and risk assessments. In order to highlight the extent of the financial challenge, the range is between a £3 million and £10.4m over-spend for 2020/21. Cabinet is working on the basis that Welsh Government need to fully fund the COVID-19 related costs and income losses, leaving the budget recovery plan to be initially focused on a £3.5m forecast deficit.</p> <p>Beyond Welsh Government funding, an assessment is being undertaken of reserve balances and available capital receipts. This will require a review of the Council's existing reserve strategy and regard will not only need to be given to the current year situation, but also to the medium and long term. Reserve balances are finite and act as only a limited buffer to fund one-off costs.</p> <p>Cabinet has asked officers to bring forward a budget recovery plan together with a proposed set of budget savings proposals. Draft proposals will be taken through select committees for scrutiny in September before being considered by Council in October.</p> <p>A S114 notice can be issued if spending is likely to exceed resource levels, but</p>							

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		Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
							<p>this is a last resort and is not considered necessary at this time.</p> <p>Implement the process for reclaiming coronavirus costs via agreed avenues, and identify alternative grant funding offers available via Welsh Government.</p> <p>Chief Officer Resources Ongoing</p> <p>The coronavirus pandemic has resulted in an increase in costs in maintaining services, in addition to the increasing demands from Central and Welsh Government to deliver new services and provide additional grants. This has resulted in a steep increase in our financial expenditure.</p> <p>Forecasts and information to reclaim costs continue to be provided both on a monthly and ad hoc basis as required to Welsh government.</p> <p>There is uncertainty regarding the amount of compensatory Welsh Government funding the Council will receive as a result of the pandemic. Announcements by both Welsh Government and UK Government have been made and have confirmed levels of commitment to support local authorities. There is a lack of clarity as to when Welsh local authorities will have certainty around the level of funding to be received.</p> <p>Council is unlikely to have all of its costs and pressure met by Welsh Government. The significance of the shortfall that needs to be managed in year therefore needs to be determined, and whether Welsh local authorities are able to obtain any flexibilities to spread the burden over more than one financial year.</p>							
							<p>In light of the Coronavirus Pandemic, review the MTFP and budget assumptions with a view to assessing medium term implications. Strengthen medium to long term strategic financial planning as part of the Medium term financial plan and adapt to reflect the impact of the coronavirus pandemic.</p> <p>Chief Officer Resources, March 2021</p> <p>The Council's medium term financial planning has been severely disrupted by the impact of the Coronavirus pandemic on the Council's finances.</p> <p>The Council was already facing financial challenges. The pandemic has accentuated the challenge. Understanding the current financial circumstances and challenges resulting from the COVID-19 pandemic will in turn lead the Council to need to plan and plot a revised course to ensure it</p>							

Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
		Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
							remains financially sustainable into the future.							
						Develop and implement a commercial strategy aligned to the Corporate Plan	Chief Officer Resources Timescales as per strategy	<p>A budget recovery plan and set of proposed further budget savings is being developed for consideration by Cabinet ahead of onward recommendation to Council for approval. This will subsequently inform the budget setting process for 2021/22 and the medium-term financial plan.</p> <p>As part of the delivery of the Corporate Plan a Commercial Strategy has been developed. The strategy seeks to enhance income generation, develop an approach to commercialising assets and create a commercial culture and ethos. The strategy has a short-, medium- and long-term view and aims to provide a framework, with defined objectives, for new commercial projects and for the delivery of future commercial activity.</p> <p>Our commercial income is currently forecast close to budget, although we anticipate this being put under further strain as the year progresses. As with all investments this is being actively monitored with discussions ongoing with tenants.</p> <p>The Council is continuing to assess its commercial risk appetite and exposure and the Investment Committee will be receiving regular updates on investment performance and mitigating action being taken.</p>						
						Implement the new procurement strategy with a view to identifying long term and short term benefits and savings to the Council and the County	Head of Enterprise and Community Animation Timescales as per strategy	A new Procurement strategy was approved in July 2018. In order to deliver the aspirations set out within the procurement strategy, the Council has commissioned an independent company to undertake a health check of the procurement function. The primary purpose is to establish whether there are any opportunities to reduce our external costs, as well as to examine our current level of capacity to deliver against stretching						

	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective	
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level			
								<p>targets identified within the procurement strategy. The results of this piece of work are due later in the year.</p> <p>Continue to work closely with schools to ensure their financial plans are as robust as possible to minimise any impact whilst continuing to improve standards for our young people. Including, considering the offer of providing loans to schools.</p>	Finance Manager – Children & Young People Ongoing	<p>15 schools started 2019/20 financial year in deficit compared to 17 schools finishing the year in deficit. The deficit position remains particularly acute and increasing for the 4 secondary schools.</p> <p>Schools have been reminded of the recovery plan process and the requirement to agree any deficit with the Chief Officer so that the appropriate challenge can be put in place. The majority of schools have submitted a budget plan for the current financial year and monitoring of schools budget continues.</p> <p>Cabinet approved the plans to provide a loan to schools which will allow schools to plan a recovery over a longer period of time. The loan will be up to a maximum of 10 years and limited to 10% of their funding. A number of schools have shown an interest of taking out this loan and the local authority continues to work with schools to put this in place.</p> <p>In light of the COVID-19 pandemic the impact on school finances and budgets are being reviewed for 2020-21 and this will be reported back to Cabinet as part of the month 5 budget monitoring report.</p>						
4b.	<p>Potential Risk that:</p> <p>The authority is unable to deliver its political priorities or maintain key infrastructure and meet other identified pressures due to insufficient capital funding availability.</p>	<p>Underlying the Capital Strategy is the recognition that the financial resources available to meet Council priorities are constrained by a significant reduction in financial resources.</p> <p>The core capital programme has been constrained in recent years in order to enable the Band A new schools programme to be funded which are coming to a successful conclusion. Officers are working through options in relation to a</p>	2020/21	Likely	Major	High	Regularly review assumptions as part of the capital MTFP taking account of any new information that is relevant and the consequential impact on the revenue MTFP.	Deputy Head of Finance Ongoing	<p>The Capital Strategy, presented to cabinet in December 2018, sets out the council's approach to capital investment over a longer timeframe than is traditional in the 4 year medium term financial plan. It provides a framework through which our resources, and those matched with key partners, are allocated to help meet strategic priorities.</p> <p>Underlying the Capital Strategy is the recognition that the financial resources available to meet Council priorities are constrained by a</p>	2020/21	Possible	Major	Medium	Deb Hill- Howells, Peter Davies & Cllr Phil Murphy	<p>Select Committees: Economy and Development & Strong Communities</p> <p>Objectives: All</p>	
		2021/22	Likely	Major	High						2021/22	Possible	Major			Medium
		2022/23	Likely	Major	High						2022/23	Possible	Major			Medium

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		Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
	<p>future Welsh Government Band B programme.</p> <p>There remain a considerable number of pressures that sit outside of any potential to fund them within the Capital MTFP and this has significant risk associated with it. These include property and highways infrastructure, DDA work, Public rights of way etc.</p> <p>In addition to this there are various schemes/proposals (e.g. Monlife, tranche C Future schools, climate emergency response, any enhanced DFG spending etc.) that could also have a capital consequence, but in advance of quantifying those or having Member consideration of these items, they are also excluded from current capital MTFP.</p> <p>In the event of emergency pressures, resources will have to be diverted.</p> <p>Projects, such as the CCR City Deal, require significant capital investment to realise the outcomes</p> <p>There can be significant slippage in gaining capital receipts. There is a risk associated with relying on the need to utilise capital receipts in the same year that they come into the Council and the potential for this to have significant revenue pressures should receipts be delayed and temporary borrowing be required.</p> <p>The Council finalised its draft accounts for 19/20 with useable capital receipts of only £3.2m, a Council Fund balance of £8.5m and useable earmarked reserves of £6.4m (of which there is planned use that will reduce earmarked reserves to £5.4m at the end of 2020/21).</p> <p>The recent severe flooding has had a significant impact on aspects of the</p>						<p>significant reduction in financial resources.</p> <p>The strategy better reconciles resourcing with affordability and will increasingly form the Council's capital budget deliberations going forward.</p> <p>The draft outline proposed capital budget for 2020/21 and the indicative capital budgets for the three years 2021/22 to 2023/24 was presented in to Cabinet in December 2020. Future schools and other identified schemes that need to be accommodated in the capital MTFP are being developed.</p> <p>There will still remain a considerable number of pressures that sit outside of any potential to fund them within the Capital MTFP, and this has significant risk associated with it. These pressures are undergoing further review and risks are being assessed to determine whether there needs to be any further capital budget provision afforded to mitigate any significant risks requiring more immediate action. The results of this review will be reflected in the final capital budget proposals submitted to Cabinet in February 2020.</p> <p>Following the Coronavirus pandemic an assessment is also being undertaken of reserve balances and available capital receipts. Clearly this will require a review of the Council's existing reserve strategy and regard will not only need to be given to the current year situation but also to the medium and long term. Reserve balances are finite and act as only a limited buffer to fund one-off costs.</p> <p>The budget recovery plan being developed will extend to the Council's capital programme and where the Council has programmed commitments that draw on the Council's resources (prudential borrowing, capital receipts and reserves).</p>							

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		<p>Council's highways, bridge and footpath infrastructure. It is unclear as to the level of additional funding Welsh Government will make available to the recovery effort and future necessary investment in flood defences.</p> <p>The Covid-19 pandemic is likely to have a future impact on the availability of capital resources as both Welsh Government and the Council redirects funding to support the financial sustainability of the Council.</p>					<p>Further refinement of priority assessments in the property and infrastructure budgets to ensure all pressures have been considered and ranked.</p> <p>Head of Commercial and Integrated Landlord Services & Head of Placemaking, Housing, Highways and Flood</p> <p>Ongoing</p>	<p>A programme of property condition surveys are currently being undertaken by external consultants, these will be used to inform prioritisation of capital maintenance spend. A programme of Health and safety surveys is currently being commissioned.</p> <p>Independent condition assessments of key highways infrastructure are completed as required depending on condition. These inform prioritisation of available capital budget.</p>							
							<p>Deliver the Asset Management Plan to manage the Council's land and property portfolio</p> <p>Head of Commercial and Integrated Landlord Services</p> <p>Timescales as per plan</p>	<p>The Asset Management strategy is being implemented and actions from the plan have been integrated into the relevant business plans for ongoing monitoring and progress reporting.</p>							
							<p>To help sustain Council Services and enhance the asset base by investing in commercial property assets in order to increase the net rental income stream for the Council in line with the asset investment policy</p> <p>Head of Commercial and Integrated Landlord Services</p> <p>Ongoing – see Asset Management strategy</p>	<p>The council has acquired two commercial investments to generate income to support Council services. Any further investments will be considered by the Investment Committee.</p> <p>Our commercial income is currently forecast close to budget, although we anticipate this being put under further strain as the year progresses. As with all investments this is being actively monitored with discussions ongoing with tenants.</p> <p>The Council is continuing to assess its commercial risk appetite and exposure and the Investment Committee will be receiving regular updates on investment performance and mitigating action being taken.</p>							
5. Revised	<p>Potential Risk that:</p> <p>Reduced organisational capacity, including skills and knowledge, recruitment and retention issues, and reduced staff wellbeing, will impact on our ability to</p>	<p>Our people are central to the success of our council and county. To maximise the opportunities to deliver our objectives we need to develop knowledge and skills that are not always widespread within our sector.</p>	<p>2020/21</p> <p>2021/22</p> <p>2022/23</p>	<p>Likely</p> <p>Possible</p> <p>Possible</p>	<p>Substantial</p> <p>Substantial</p> <p>Substantial</p>	<p>Medium</p> <p>Medium</p> <p>Medium</p>	<p>To implement a revised people and organisational development strategy following development of the Corporate Plan and the workforce planning arrangements required to deliver.</p>	<p>Head of People Services</p> <p>Timescales as per strategy</p>	<p>The People strategy continues to be implemented and activity has been embedded in the relevant service business plans.</p> <p>The People Strategy will be reconsidered informed by the learning from recent leadership development</p>	<p>2020/21</p> <p>2021/22</p> <p>2022/23</p>	<p>Possible</p> <p>Possible</p> <p>Possible</p>	<p>Substantial</p> <p>Substantial</p> <p>Moderate</p>	<p>Medium</p> <p>Medium</p> <p>Low</p>	<p>Tracey Harry & Cllr Phil Murphy</p>	<p>Select Committee: Strong Communities</p> <p>Objectives: All</p>

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deliver organisational aims and objectives	<p>Sickness levels were an average of 11.32 days per FTE employee for 2019/20. The People strategy identifies that tools and guidance to manage and prevent sickness are not always used effectively.</p> <p>Potential detrimental impact on staff well-being from a range of factors linked to the coronavirus pandemic and delivering the Council's response. The impact on staff wellbeing will need to continue to be monitored to determine implications and to ensure staff are supported.</p> <p>The number of employees has reduced in recent years. A range of services have identified risks to their capacity for service delivery. Continuing challenges and pressures can contribute to a loss of knowledge/skills and experience.</p> <p>Some services have identified challenges with recruitment and retention in certain sectors including care support workers, home carers and engineering. Staff turnover has increased slightly in 2019/20, from 8.73% to 9.43%.</p>						<p>sessions, wider organisational learning and input.</p> <p>The update of the strategy will now need to consider the learning from the council's Coronavirus response.</p>							
						<p>Embed workforce planning into team management processes to ensure the right skills, expertise and knowledge are available for future changes</p>	<p>HR lead & Training Lead</p> <p>Ongoing</p>	<p>A Recruitment and Selection policy has been developed, which prompts managers to think about apprenticeships, forward thinking and future planning, 3 to 5 years ahead.</p> <p>The Leaders Induction includes information for managers on knowing their people, understanding performance and identifying future plans.</p> <p>Work on developing the payroll and HR system has continued, and the contract for a new payroll system has been signed. Plans are on course to migrate to Microsoft Azure in November 2020.</p>						
						<p>Embed the attendance and wellbeing policy.</p> <p>Continue to engage with staff on well-being to ensure a focus on addressing identified needs and make better use of data for focussed interventions.</p>	<p>Head of People Services</p> <p>Ongoing</p>	<p>The revised attendance and wellbeing policy will be reviewed as a recent internal audit identified a lack of compliance in some areas. The average number of working days lost to sickness absence per employee in 2019/20 was 11.32 days, above the Councils targeted rate of 10.5.</p> <p>Training is ongoing; there has been greater focus on the use of Department Management Teams to challenge where work is not being undertaken to promote accountability.</p> <p>It is hoped that new payroll and HR system will help by enabling prompts, e.g. absence is recorded so prompts are provided throughout the duration of the absence to ensure all steps of the process are adhered to.</p> <p>The Go To Group is proving to be successful amongst staff; feedback has identified that employees appreciate the informal nature of the group. It is being promoted at Induction and Leadership sessions. In addition to this,</p>						

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							<p>a Counselling service is available for employees to access via HR or management referral.</p> <p>A self-referral system is also available via DWP. This is an external source of support, but is being advertised to all.</p>							
					Develop the support mechanisms in the short to medium term to address the potential impacts on staff wellbeing as a result of the Covid-19 crisis.	Head of People Services September 2020	<p>The Health and Welfare Group was established to address issues across the workforce. The weekly Digital 'cwtch' continues, along with the weekly Manager's Q&A session.</p> <p>The SupportAll portal has been launched, which allows staff to access information from any device, including mobiles, on a range of subjects, such as testing, protecting homeworkers and bereavement.</p> <p>ICT accounts have been set up for 670 non-connected workers in order to allow them access to all staff information. The Digital Team are also contacting all staff to check contact details are correct and to encourage the use of all the available digital options.</p>							
					Continue to increase understanding and maximise completion of the check-in, check-out staff appraisal process and use feedback to plan and identify training needs	HR lead Ongoing	<p>All managers have been instructed to input the completed CICO numbers into their quarterly business plan updates, and this is being monitored.</p> <p>Information has been provided via service business plan update guidance to support managers to utilise the plans to record rates of completed CICOs. Further advice continues to be provided to managers. A further QA process was planned by HR colleagues, upon completion of the Q4 (outturn) service plans, to validate and confirm the robustness and accuracy of information provided. This has been delayed during the Coronavirus response.</p>							
					Continue with perpetual recruitment and advertising for Social Care staff and implement the We Care campaign.	Transformation Lead Social Care & Health & Chief Officer Social Care & Health	The council continues to raise the profile of care work as part of a national programme called "We Care", which aims to recruit 20,000 care workers across Wales by 2030. A coordinated approach has been used							

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								September 2020	to ensure people are attracted to consider this valuable role. Recruiting staff into Social Care has many elements; each is being reviewed and developed in order to ensure systems, processes and policies align with council ethos and culture. Specific Social Care attraction, selection and retention approaches are key to establishing a sustainable workforce in order to support residents now and into the future. Through the Coronavirus pandemic, the workforce has been monitored frequently and a Whole Authority approach to redeployment and recruitment across Monmouthshire was adopted to ensure continued service delivery. Specific recruitment campaigns are now continuing for social care roles, with particular focus on arrangements for care at home and residential services.						
6. Revised	Potential risk of: Significant harm to vulnerable children or adults due to failure of arrangements or factors outside the Council's control	Improved outcomes for vulnerable people can only be achieved and sustained when people and organisations work together to design and deliver more integrated services around people's needs. While there are many steps the council and partners can take to mitigate the risk, significant harm can also occur due to factors that are outside our control meaning that there will always be a level of risk. The upward trend in demand within both children's and adult's services puts services under pressure. The COVID-19 pandemic has put families under increased strain and increases risks to vulnerable individuals at the same time as decreasing the visibility of children and adults at risk. A number of potential risks have been identified due to the Coronavirus pandemic that will need to be managed and	2020/21 2021/22 2022/23	Likely Possible Possible	Major Major Major	High Medium Medium	Continually monitor and evaluate process and practice and review accountability for safeguarding and implement actions identified, particularly better use of information.	Safeguarding & quality assurance service manager Ongoing	Progress against the council's safeguarding priorities is evaluated annually, last completed for 2018/19, and the priorities reflect the cornerstones for keeping people safe in Monmouthshire set out in Corporate Safeguarding Policy. Embedding and sustaining the highest standards of safeguarding is a continuous endeavour. The Annual Safeguarding Report will be prepared for Year end 2019 and presented to Scrutiny / Council. The report will reflect the 'as is' position in respect of safeguarding activity during the COVID-19 outbreak. Data collection and collation regarding safeguarding performance information will continue in order to support this. This evaluation report forms an integral part of the improvement of safeguarding practice across the Council, and drives the work of the Whole Authority Safeguarding Group. A safeguarding 'self-assessment' is undertaken every other year on a	2020/21 2021/22 2022/23	Possible Possible Possible	Major Major Major	Medium Medium Medium	Will Mclean & Julie Boothroyd. Cllr Penny Jones & Cllr Richard John	Select Committees: CYP & Adults Objective: The best possible start in life Lifelong well-being

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							<p>Through the Coronavirus pandemic Safeguarding remains an essential part of our delivery supporting adults and children in Monmouthshire. The process for receiving and responding to referrals has not changed. This includes referrals regarding allegations or concerns against adults who work with children and adults at risk. Arrangements have been adjusted, where required, different solutions have been needed to deal with situations during the pandemic.</p> <p>The volume, type and source of referrals continue to be monitored.</p>							
					<p>As a statutory partner of the regional safeguarding boards, continue to work with other statutory partners to ensure that there are effective multi-agency safeguarding arrangements and that they are working well and share learning and development in safeguarding. Implement the recommendations and learning from any Domestic Homicide review, adult practice review or child practice review that is undertaken under the safeguarding board.</p>	Chief Officer, Social Care, Health & Safeguarding Ongoing	<p>There continues to be full representation at all levels of the work of the regional safeguarding board and VAWDSV board. There is strong engagement in regional approaches to Multi-Agency Sexual Exploitation meeting (MASE) Child Sex Exploitation (CSE), Violence Against Women Domestic Abuse and Sexual Violence (VAWDASV) and Contest (PREVENT anti radicalisation).</p> <p>There continues to be a strong Monmouthshire engagement with regional safeguarding boards and involvement in the Strategic and Operational Safeguarding groups.</p> <p>Through the Coronavirus pandemic, where concerns are identified protective services have had to change the way that they respond and provide services this includes social care, health, education, probation and the police as well as other partner and voluntary agencies.</p>							
					<p>Deliver the implementation plan for volunteering policy (adopted in December 2017) in all service/business areas and continued implementation of the Volunteer toolkit and organisation wide use of Volunteer Kinetic - Volunteer management system</p>	HR Manager & Communities and Partnership Development Team Timescale as implementation plan	<p>Monmouthshire, A County That Serves (ACTS) volunteering programme is helping to highlight and support volunteering opportunities available within the county. A volunteering toolkit and network are in place and Leading Volunteering training is delivered to staff that support volunteers.</p>							

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						Continue to assess the volunteer response during the Covid-19 pandemic and identify learning that should be adopted and developed to support volunteers		<p>A Volunteer Kinetic digital management system is in place. This means we have a live central record of volunteer safe recruitment information and activity. The system is structured so dependent on the role the proportionate amount of safe recruitment checks are carried out and logged on the volunteers' profile, also training is logged on the system for example Safeguarding Level 1. This data is checked and reported on a quarterly basis. We have resource to support the implementation and training for our colleagues using the system.</p> <p>Service area champions have also been introduced to ensure that all current and new volunteers are recruited through the appropriate channels. In June 2019, the first Volunteering Conference was held to put volunteering at the forefront of council planning for the future.</p> <p>The COVID-19 pandemic has seen a tremendous response in relation to the mobilisation of volunteering and community groups. We established the Community Support Structure to assist people needing support being coordinated with the offers of support. The Council has worked with over 80 volunteer coordinators across more than 60 local groups with over 650 volunteers undertaking activities from delivering meals, dog walking to providing a friendly call. Some of these groups have developed quickly. Through the Enterprise Directorate the Council is making every effort to ensure that these groups, and individual volunteers, some of which have mobilised very rapidly, have the correct advice, support and guidance regarding their safeguarding responsibilities.</p> <p>Work will be required to continue to support an increased volunteer network and longer term</p>						

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							arrangements will need be considered to ensure we can support our community volunteering network to provide long-term benefit to our communities.							
						To implement the Action Plan established in response to the Audit Wales led review of children’s safeguarding.	Chief Officer, Social Care, Health & Safeguarding Timescale as in action plan	Audit Wales conducted a follow up ‘light touch’ inspection that concluded the Council has responded positively to our report and recognises the progress it has made against the proposals for improvement and what more it needs to do to fully address them. Our evaluation of progress shows progress has been made in addressing a number of proposals. There remains further work to fully address some of the proposals including central recording and monitoring employee data regarding safeguarding training and rolling out across further service areas the matrix for self-assessment of Minimum Standards for Safeguarding Across Commissioned Services.						
						Identify and implement proposals to address capacity issues specifically for adult protection	Chief Officer, Social Care, Health & Safeguarding December 2020	A Review of Adult Safeguarding team performance and structure has demonstrated the significant increase in safeguarding concerns being referred to the department and an increased Safeguarding function with the demands of the Gwent Adult Safeguarding Board, and Corporate Safeguarding. This has impacted the timescales in which the safeguarding process can be completed and has led to recommendations in relation to structure, capacity and workload in order to meet current demand and prepare for the Wales Adult Safeguarding Procedures to be launched in November 2019. As part of the 2020/21 budget a pressure of £153k was identified with a supporting evidence base and business case to support the proposals related to the review of Adult Safeguarding Service, and the Wider Safeguarding Business Administration.						
						Regularly assess the impacts as coronavirus restrictions change	Chief Officer, Social Care,	Through the Coronavirus pandemic Safeguarding remains an essential part						

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							and social distancing continues across Adult services and children's services.	Health & Safeguarding Ongoing	<p>of our delivery supporting adults and children in Monmouthshire. The process for receiving and responding to referrals has not changed.</p> <p>Front-door for children's and adult's safeguarding services remain fully operational:</p> <ul style="list-style-type: none"> - Referrals continue to be made and responded to; - Referrals have not significantly reduced in number; - Safeguarding is integrated into community hubs; - The Wales Safeguarding Procedures App has been loaded onto desktops across the workforce, <p>The Corporate Safeguarding Policy has been updated to reflect the COVID-19 response and has been presented to Cabinet.</p> <p>A virtual method of delivering Safeguarding Level 1 has been developed and is being implemented.</p> <p>The volume, type and source of referrals continue to be monitored for any changes as coronavirus restrictions ease.</p>						
7.	<p>The potential risk to:</p> <p>The robust delivery of the Council's corporate parenting responsibility and services related to safeguarding vulnerable children as a result of an increase in demand and complexity in cases in Children's services.</p>	<p>The number of children on the child protection register increased substantially in 2018/19 from 73 to 116 at March 2019. At the end of March 2020 112 children were on the child protection register, although this is a slight decrease this is still significantly more than recent years.</p> <p>The number of looked after children has increased significantly from 173 at the end of 2018/19 to 219 at the end of March 2020 continuing the upward trend in recent years.</p> <p>The 2019/20 net budget for Children Services is £11.9m, over half of which relates to looked after</p>	2020/21	Possible	Major	Medium	Continue to review and evaluate performance of Early Help and Family Support service.	Head of Children's services March 2021	<p>There has been a real focus in the last year in Children's Services to implement a co-ordinated approach to early intervention and prevention. Early help and support services are developing well. The service has continued to respond to the demand pressure, expanding and developing services particularly through the family support offer so that the right help is provided at the right level of intensity. Early evaluation of our family support services indicates clear and positive outcomes for families (for example our Achieving Change team is currently working with 50 plus children on the 'edge of care' to enable them to remain living safely with their parents).</p>	2020/21	Possible	Major	Medium	Julie Boothroyd & Cllr Penny Jones	<p>Select Committee: Children & Young people</p> <p>Objective: The best possible start in life</p>
			2021/22	Possible	Major	Medium	Continue to review and embedded MyST, a Multi-disciplinary Intensive Therapeutic Fostering Service and assess impact on placement activity with children with complex needs.			2021/22	Possible	Major	Medium		
			2022/23	Possible	Major	Medium	Continue to implement the fostering strategy on the recruitment, retention and skills development of in house fostering.			2022/23	Possible	Major	Medium		

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	<p>children, in particular, placements for looked after children. At outturn 2019/20 Children's Services are forecasting a £3.280M overspend, with a significant increase in demand with Looked After Children. With the increased demand comes added pressures on other services such as legal and transport provision, contact and staffing, with extended reliance on agency staffing as a consequence.</p> <p>A number of potential risks have been identified due to the Coronavirus pandemic that will need to be managed and monitored as far as possible:</p> <ul style="list-style-type: none"> - Operational changes in the way that services are delivered as a result of COVID-19 with a reduction in 'direct' (physical) contact. -Possible increase in referrals and impact of any delays in operations affecting capacity issues -A possible increase in court based casework when lockdown ends. -Increase in some spend areas to support certain areas of risk -Possible disruption to Foster placements and/or carer recruitment. -Possible refusal and potential shrinking of carer pool. Due to 'virtual' meetings, there is likely to be a slowing up of applicants, this will have a knock on effect on our fostering population 						<p>We have collaborated with Blaenau Gwent and implemented the MYST service, a Multi-disciplinary Intensive Therapeutic Fostering Service for Looked After Children and Young People, which will help to support children with complex needs within a foster care setting.</p> <p>Monmouthshire is aiming to attract more foster carers to offer placements to looked after children. Active campaigns are being run to increase the rates of in house foster carers, including the 20 for 20 reasons to foster. The increasing number of looked after children means that demand remains high and therefore recruitment campaigns are continuing. Further fostering campaigns have now recommenced during the coronavirus pandemic.</p> <p>The impact of the coronavirus pandemic on the possible disruption to Foster placements and/or carer recruitment continues to be monitored.</p>							
						Implement next phase of children's services development programme focused on achieving the best outcomes for children and families.	Head of Children's services April 2021	Children Services have completed a 3 year improvement programme (2016-2019) which concentrated on, securing stability in the workforce, developing a delivery model of practice, commissioning and service critical issues, the service is now moving onto a further 2 year programme (2019-2021). The focus will be on practice development and will shape the way we work with families over the next number of years. The importance of relationships and how we work with families to support their strengths, manage risks and achieve good enough outcomes will be key indicators of success.						

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						Regularly assess the impacts as coronavirus restrictions change and social distancing continues across children's services.	Chief Officer, Social Care, Health & Safeguarding & Head of Children's Services Ongoing	<p>Child services are priority services and remain fully operational.</p> <p>The process for receiving and responding to safeguarding referrals has not changed.</p> <p>Risk assessments will be undertaken where any direct working / home visiting is required to follow up on child protection concerns, or to provide interim safeguards as part of a care and support plan. Some direct work may be undertaken virtually or using social distancing methods</p> <p>The impact of the lock-down has meant that harmful behaviours, abuse and neglect can remain hidden. The potential risk that Child welfare concerns are not recognised or referred in to Children Services continues to be monitored.</p>						
						Review and monitor the Looked after Children population rises in line with Welsh Government expectations	Head of Children's services As per plan provided to WG.	<p>The number of looked after children has increased significantly from 173 at the end of 2018/19 to 219 at the end of March 2020 continuing the upward trend in recent years.</p> <p>Whilst we develop interventions to address early identification, and manage appropriately pre- and post-statutory intervention with families, the growing numbers mean that services are under pressure. Work is underway to maximise the opportunities to reduce the current trends, Welsh Government recently carried out a Looked after Children's review across Wales. As part of this we have submitted plans to reduce the numbers of children being looked after. This relies heavily on all parts of the system being geared to support the plans for reduction.</p> <p>Over the next year as well as continuing to embed preventative services, the family support offer has been expanded to ensure that children are equally supported to leave care safely.</p>						

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8. revised	<p>Potential Risk of:</p> <p>Failing to meet the needs of learners, including vulnerable learners, and failing to promote pupil well-being within Monmouthshire's schools, which may result in children and young people not achieving their full potential.</p> <p>Failing to adapt to changes in the new curriculum and examination requirements.</p>	<p>Meeting the needs of vulnerable learners remains a priority. The gap in attainment between those not eligible and those eligible for Free School Meals (FSM) remains a concern.</p> <p>There is variation in standards across schools, with some schools judged by Estyn to be only adequate or unsatisfactory, and some schools remain in amber support categories.</p> <p>Poor leadership, management, capacity and performance has been identified in some schools.</p> <p>There are challenges in meeting the demand for Welsh Medium education provision in the future.</p> <p>There is an increasing demand for additional support for children with additional learning needs.</p> <p>The Monmouthshire PSB well-being plan recognises the importance of greater support for the well-being of children and young people. Students' responses to the 2017/18 School Health Research Network Student Health and Wellbeing Survey shows there are areas where students' well-being can be further supported.</p> <p>A number of potential risks have been identified due to the Coronavirus pandemic that will need to be managed and mitigated as far as possible:</p> <ul style="list-style-type: none"> - Children who require additional support or are vulnerable are not able to access support in a known and supportive environment. - The ability of all our learners to keep learning and developing - Planning for learners' transition back into school and onto the next phase of their learning when the time comes. 	2020/21	Likely	Major	High	<p>Ensure the commissioned arrangements with the Education Achievement Service (EAS) address the authority's concerns in challenging and supporting schools</p>	EAS & MCC Ongoing	<p>EAS continue to provide ongoing challenge, monitoring and evaluation work in schools with a continued focus on vulnerable learners.</p> <p>From our agreed work with the EAS, we will:</p> <ul style="list-style-type: none"> • Strengthen leadership and teaching and learning capacity in identified schools to ensure that all pupils make appropriate progress from their starting points. • Improve the outcomes for all vulnerable learners, particularly those eFSM, at the secondary stages (key stages 3 and 4) and at the higher levels. • Reduce variance in outcomes between schools and departments particularly at key stage 4. • Work with all stakeholders to develop effective mechanisms to help reduce the amount of exclusions. 	2020/21	Likely	Major	High	Will Mclean & Cllr Richard John	<p>Select Committees: CYP</p> <p>Objective: The best possible start in life</p>
			2021/22	Likely	Major	High				2021/22	Possible	Major	Medium		
							<p>Continue to work closely with our primary schools to ensure that they are maximising the learning opportunities provided by the EAS and the professional learning offer around the development of the new curriculum.</p> <p>Work closely with our secondary schools to ensure they meet the needs of a full range of learners.</p>	EAS & MCC Ongoing	<p>MCC and EAS to continue to work with schools in ensuring that they are preparing for the new curriculum and meeting the needs of students. EAS continue to monitor where schools progress and where they may need additional support.</p> <p>EPS and Healthy schools will provide advice and support to practitioners to support the well-being of children and young people impacted by COVID -19</p> <p>Schools will prioritise the wellbeing of all pupils as a pre-requisite for effective learning. This will include the development of a flexible approach to curriculum delivery, suitable for use in a range of contexts, and additional support to close the gap, recover and raise standards for priority groups.</p> <p>Schools will assess pupils on return in September to identify the support needed for pupils to continue to make meaningful progress.</p>						

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	<p>- Physical and mental health and well-being impact of all our learners could be a continuing risk factor</p> <p>Estyn's report into Local Government Education Services in Monmouthshire County Council was published in April 2020. The report concluded that the authority's education service does not give cause for significant concern. There are four recommendations for development:</p> <ul style="list-style-type: none"> - Improve outcomes for pupils eligible for free school meals Further strengthen the focus on increasing the number of pupils achieving excellent standards - Articulate a clear strategy for SEN provision - Strengthen the use of information gathered through self-evaluation to better inform improvement planning 						<p>In 2020 and 2021, qualification awards data will not be used to report on attainment outcomes at Local Authority or school level. In response, secondary schools will review their approach to learning, including the number of qualifications that are reasonable for each learner to take.</p>							
						Continue to improve the quality of self-evaluation in the CYP directorate.	Chief Officer Children & Young People Ongoing	<p>The Chief Officer Report for Children and Young People was presented to Council in June 2020. The report informed Council of the progress that the education system made in the previous twelve months since the last report. This is an ongoing annual report.</p> <p>Estyn Local Authority Link Inspection visits continue and the authority was inspected in February 2020. The report concluded that the authority's education service does not give cause for significant concern. There are four recommendations for development including strengthening the use of information gathered through self-evaluation to better inform improvement planning</p>						
						Develop and implement plans to address the recommendations in Estyn's report into Local Government Education Services	EAS & MCC Ongoing	<p>These recommendations are clear and align to the authority's own self-evaluation. They will be the key focus of activity through the next period and will be captured and reflected in the service improvement plans and the Chief Officer's report. There is much work ongoing in these areas but it is recognised that this needs to be sharper and needs to better articulate the impact changes are expected to have. Colleagues in the directorate and in the EAS are developing further detail required by these plans.</p>						
						Deliver the Welsh Education Strategic Plan in collaboration with neighbouring authorities	Head of Achievement and Attainment Timescales as per WESP	<p>The Welsh in Education Strategic Plan (WESP) was developed in consultation with Welsh Government and the Monmouthshire Welsh Medium Education Forum and was subject to further consultation with stakeholders.</p> <p>The WESP has been approved by Welsh Government and an Action Plan is in place and progress will be</p>						

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							monitored by Local Authority and Welsh Medium Forum.							
						Ensure that the Additional Learning Needs review delivers sustainable, adequate and appropriate support to pupils with Additional Learning Needs	Head of Achievement and Attainment September 2020	<p>The statutory consultation process on a proposed new model for the delivery of ALN and Inclusion Services was completed. In December 2018, Cabinet agreed to the implementation of a number of regulated alternations from 29th April 2019. These included changes to the type and capacity of provision to Special Need Resource Bases in specified schools.</p> <p>From September 2019, the extended ‘in-reach’ services by the Pupil Referral Unit has provided significant additional resource to challenging behaviour in schools, supporting vulnerable learners and forms a key part of the graduated response to behaviour in our schools.</p> <p>In January 2020, a report was presented to Cabinet to conclude the statutory process relating to the proposed closure of Mounton House Special School. Members agreed to the closure of Mounton House with effect from 31st August 2020.</p>						
						Work with PSB partners, through the Children & Young People Strategic Partnership, to deliver the steps in the PSB well-being plan related to focusing on children & young people’s well-being and supporting their mental health and emotional wellbeing.	Chief Officer Children & Young People Timescales as in developing PSB delivery plan	<p>The Monmouthshire Public Service Board has prioritised the step in its well-being plan. The Children and Young People’s Strategic Partnership is being developed to bring key partners together to lead on the delivery plan.</p> <p>The Council continues to work on the Public Service Board well-being plan step on Adverse Childhood Experiences (ACEs). The response to this in Monmouthshire involves an understanding of the impact of ACE’s within our communities, and coordination with a range of partners, to develop a long-term approach to prevention, taking account of the complexity of issues involved.</p>						

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							In response to the Covid-19 pandemic: Develop the offer for children who require additional support or are vulnerable Deliver a distance learning offer to learners and continue to establish digital learning technologies and approaches Plan for learners' transition back into school and onto the next phase of their learning.	EAS & MCC Ongoing	The significant time away from school will have affected the learning trajectory of many learners. This is not likely to be a uniform impact, with disadvantaged pupils likely to be impacted upon more significantly. A weekly multi-agency Stable Lives and Brighter Futures meeting has been established to discuss and review support and provision for vulnerable pupils. This will ensure that identified pupils are regularly monitored, and provision is flexible to meet needs. Schools were successfully reopened on 29 June 2020, offering a reduced timetable as part of Check in, Catch up and prepare for all pupils who wished to attend. This programme ran for three weeks, when schools closed for the summer holidays. Following an announcement by the Welsh Education minister, plans are now underway to prepare for the full reopening of all Monmouthshire schools by 14th September.						
9. revised	Potential risk of: Loss or corruption of data due to cyber-attack or data mismanagement which will compromise the delivery of essential council services.	There are a number of high profile cases across both public and private organisations where cyber-attacks and data breaches have compromised service delivery and financial loss. This can also affect safeguarding of our vulnerable people in communities. Aside from physical security, there is evidence that cyber security risks are introduced via a workforce that is unaware of information management, information governance and cyber security through their personal actions. There is a risk of cyber security being compromised through a lack of	2020/21 2021/22 2022/23	Possible Possible Possible	Major Major Major	Medium Medium Medium	Undertake a structured and comprehensive training programme for all staff on cyber security, information management and GDPR. Incorporate specific cyber-crime training into the Data Protection Training	Cyber security service Ongoing	The Digital Programme Office has appointed a Digital Trainer to produce focussed e-learning modules and targeted team training. Cyber security training sessions are being delivered via face to face and e-learning sessions. This training was intended to be mandatory from April 2020 but this has been delayed due to the Coronavirus response. The network of Digital Champions is regularly being upskilled in cyber threat awareness through regular Digi champion's workshops and meetings. Cyber security training has been incorporated into induction and specific cyber security awareness raising has been held through a 'cyber security awareness week'.	2020/21 2021/22 2022/23	Possible Possible Possible	Major Major Major	Medium Medium Medium	Sian Hayward & Tracey Harry. Cllr Phil Murphy	Select Committee: Economy and Development Objective: All

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	<p>structured governance arrangements and planning.</p> <p>There is evidence that incomplete, inaccurate and unstructured digital data will inhibit accurate data analysis, compromise decision making and ultimately compromise service delivery, service efficiency and budget management.</p> <p>The Covid-19 pandemic has increased the reliance on and use of digital technology and communication. Infrastructure has been set up and practice changed rapidly. This will need to be closely monitored to ensure robust systems are in place to protect data and to ensure all staff and systems are equipped to manage this.</p>					<p>Continuous monitoring of cyber threat and mitigation by the security team and the DPO identifying technical solutions to potential risk areas.</p>	<p>Digital Projects Team</p> <p>Ongoing</p>	<p>A cyber security service shared between Gwent Police, TCBC and MCC has been commissioned, which acts as an audit function of our technical arrangements, as well as providing training and advice on data security issues. This service also deals with MCC's PSN and the SRS ISO accreditation; PSN accreditation has now been achieved.</p> <p>This service has operated throughout the covid-19 pandemic and has not dropped its focus on cyber security. A separate operational risk register has been opened during Covid to mitigate against Covid-related threats. This is monitored by the security service on a monthly basis.</p>						
						<p>Implement the Information Strategy to safeguard the integrity and security of our data while taking-steps towards becoming a data-led organisation.</p>	<p>Information Governance Group</p> <p>Ongoing</p>	<p>The Information Strategy was reviewed and updated in October 2017 to cover the 3 inter-related strands of – Digital Information, Information Governance and Legislation & Data use, Open Data and Business Intelligence. The strategy continues to be implemented with oversight from the Information Governance group.</p> <p>The strategy will be reviewed in August 2020.</p>						
						<p>Introduce a comprehensive digital EDRMS into the authority ensuring data is categorized, tagged, and stored with appropriate retention guidelines applied.</p>	<p>Head of Digital</p> <p>December 2020</p>	<p>An officer has been appointed to manage the MS suite of products, starting with SharePoint online. Implementation started in January 2020 with a programme to transfer all data and information off unmanaged network drives onto a managed and structured EDRMS that's available 24/7 to authorised personnel. There is now a structured rollout plan agreed by SLT and in conjunction with the rollout of Teams functionality</p>						
						<p>Develop a rigorous approach to data governance policies, ensuring that our data is structured and clean in order to aid BI, RPI and AI.</p>	<p>Head of Digital</p> <p>Ongoing</p>	<p>Detailed guidance on systems administrators' roles and responsibilities has been issued, including information regarding the need for business continuity plans and a requirement to develop and upgrade systems as soon as notified.</p>						

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							Make use of the security features within O365 licencing to protect mobile devices and information sharing		Licencing arrangements have incorporated Multi Factor Authentication for mobile devices. New licencing being introduced in December 2020 will incorporate a seamless mobile device management solution. Licencing will also bring in enhanced security for file sharing and working with new secure communications technology via 'Teams'.						
10a. revised	<p>Potential Risk of: A lack of appropriate infrastructure, including affordable housing, in the County to meet future needs arising due to the County's changing demography and weak economic base, external changes such as removal of the Severn Bridge tolls, and as a result of the growth of the County as set out in the emerging Replacement Local Development Plan (RLDP).</p> <p><i>ICT infrastructure is also important to meet future needs and this has been identified as a specific related risk below (risk 10b)</i></p>	<p>Several key LDP policy indicator targets and monitoring outcomes relating to housing provision are not currently being achieved, including new dwelling completions and affordable dwelling completions.</p> <p>There is a need to consider the Council's future vision and the extent to which the current LDP and RLDP aligns with that, and the impact on wider infrastructure planning, such as transport, which could affect future economic, social, environmental and cultural well-being.</p> <p>The impact of the Covid-19 pandemic may cause a delay in progress of the Local Development Plan, both internally and where external factors impact upon it. The current LDP runs until 31st December 2021; in legislative provision, this is referred to as the 'drop dead date'. Liaison is being undertaken with Welsh Government on the drop dead date in light of the delays that COVID-19 has put on the preparation of Replacement LDPs. If the drop dead date remains in place, there is a significant risk that the County will not be able to adequately support sustainable forms of development that could benefit the prosperity of the County, and it could potentially result in undesirable forms of development achieving planning consent.</p>	2020/21	Possible	Major	Medium	Prepare a replacement LDP to address the county's issues/challenges, including in relation to the provision of housing (market and affordable) and employment opportunities, and to facilitate the identification and allocation of additional housing land and appropriate employment land, with associated infrastructure.	Head of Placemaking, Housing, Highways and Flood	<p>Welsh Government agreed a revised Delivery Agreement for the RLDP on 6th March 2020. However, the Delivery Agreement now needs further revision to reflect the delays incurred as a result of the current pandemic.</p> <p>Work on the RLDP has commenced, and has reached the Preferred Strategy stage of the Plan process, with public consultation and engagement on the Preferred Strategy, along with the second call for candidate sites, having commenced on 9th March 2020. As a result of the circumstances surrounding COVID-19, the decision was taken on 17th March 2020 to postpone the RLDP Preferred Strategy engagement events until further notice and to keep open, with an extended deadline, both the Preferred Strategy consultation period and the second call for candidate sites.</p> <p>The Minister for Housing and Local Government issued a letter on 7th July 2020 requesting that all local planning authorities undertake an assessment of the RLDP evidence base, strategy and policies to assess the consequences the current pandemic before progressing with plan preparation.</p> <p>A review of the RLDP issues, vision and objectives, in light of COVID-19, was undertaken and endorsed by Cabinet on 17th June 2020, and demonstrated that the plan's strategic direction of travel remained relevant. However, in</p>	2020/21	Possible	Major	Medium	Mark Hand and Cllr Bob Greenland	<p>Select Committee: Economy and Development</p> <p>Objective: Thriving and well-connected county</p>
			2021/22	Likely	Major	High		Head of Planning		2021/22	Likely	Major	High		
			2022/23	Likely	Major	High		Ongoing		2022/23	Unlikely	Substantial	Low		

	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective		
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level				
								<p>accordance with the Minister for Housing and Local Government letter, the Council intends to undertake a further assessment to determine whether the evidence base remains relevant and appropriate to address the County's issues, or whether any amendments/updates are required.</p> <p>Candidate site submissions will not be accepted whilst this review is underway. The Revised Delivery Agreement will set out an updated timetable for future key stages of plan preparation, including the revised commencement date for the Preferred Strategy consultation and closing date for the second call for candidate sites.</p> <p>Liaison is being undertaken with Welsh Government/Minister for Housing and Local Government on reviewing and removing the 'drop dead date' in light of the delays that COVID-19 has put on the preparation of Replacement LDPs. RLDP adoption is likely to be end of 2022, which could mean that council is without a local planning policy framework for approximately 12 months if the 'drop dead' legislation remains in place.</p>									
10b. revised	<p>Potential Risk that:</p> <p>Insufficient broadband infrastructure and a lack of digital skills in the county have the potential to lead to social and economic disadvantages</p>	<p>Although the majority of premises now have access to superfast broadband, there are pockets of digital deprivation with around 13% of premises still without sufficient broadband provision. Monmouthshire residents have high demand for broadband services, however, a significant skills issue exists in the County with approximately 20% adults in Monmouthshire not using the internet.</p> <p>The Covid-19 pandemic has seen a wide scale increase in the use of digital technology. In areas where broadband infrastructure is insufficient or for people who do not have digital skills this may amplify</p>	2020/21	Likely	Substantial	Medium	Continue to collaborate with the Superfast Business Wales team to support their ICT Exploitation programme.	Head of Enterprise & Community Animation Ongoing	The Council continues to be one of the three local authorities represented on the Superfast ICT Exploitation Panel.	2020/21	Likely	Substantial	Medium	Cath Fallon & Cllr Sara Jones	<p>Select Committee: Economy and Development</p> <p>Objectives: Thriving and well-connected county</p>		
			2021/22	Likely	Substantial	Medium				2021/22	Likely	Substantial	Medium				
			2022/23	Likely	Substantial	Medium	Enable the rollout and exploitation of high-speed broadband across the County for both businesses and communities.	Head of Enterprise & Community Animation Ongoing	The Council has continued to work with Welsh Government to support access to Superfast Cymru and is one of the rural local authorities represented on the newly formed Wales Digital Infrastructure Group. Welsh Government have targeted 1580 premises under Superfast Cymru 2 for Monmouthshire, all to be fibre to the premise.	2022/23	Possible	Moderate	Low				

Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
		Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
	<p>the potential social and economic impact of the pandemic.</p> <p>The pandemic has amplified the need for Good quality digital infrastructure and connectivity, including for the Council with many of the Council's services moving to an on-line digital platform</p> <p>Due to the pandemic and the preceding flooding that took place in November 2019 and February 2020, digital infrastructure works have been slow to move forward in the county and the digital deprivation rate still stands at 12.5%.</p> <p>Monmouthshire still has 8,000 premises in the county with poor broadband.</p>					<p>Benefit from the learning associated with the programme to trial the use of 5G technology.</p>	<p>Rural Programmes Manager, Ongoing</p>	<p>continues, in addition to the BDUK operated gigabit voucher scheme.</p> <p>Delivery of the second Rural Community Development Fund broadband deployment project was completed March 2020 with an additional 550 premises having access to the new network.</p> <p>Monmouthshire was one of three locations benefitting from the learning associated with a £2m DCMS fund programme to trial the use of 5G technology acting as a testbed to bring world-class digital infrastructure to Monmouthshire. The project provided one village, Llanddewi Rhydderch, with gigabit speeds.</p> <p>On 20th February 2020, the Council received notice of the approval of CoCoRE, a 5G testbed in South East Wales to connect rural communities across Monmouthshire and semi-urban communities in Blaenau Gwent, subsequently a report was presented to Cabinet on the 4th March 2020. As a partner, the Council will be involved in developing test cases for the use of 5G in:</p> <ul style="list-style-type: none"> Tourism: Scalable AR Experience for a Sensitive Site and Preservation & Safety specifically at Raglan Castle; and Diverse Rural Economy: Farms Security & Safety and Farmer Mental Wellbeing & Isolation 						
						<p>Implement the digital infrastructure action plan.</p>	<p>Head of Enterprise & Community Development</p> <p>Timescales as per action plan</p>	<p>Cabinet approved the Digital Infrastructure Action Plan in September 2019. The plan identifies opportunities to address the issue of 13% of premises not having next generation access to broadband.</p> <p>An update on activity following approval of the Digital Infrastructure Action Plan is being presented to cabinet in July 2020.</p> <p>Due to the pandemic and the preceding flooding that took place in November 2019 and February 2020,</p>						

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								<p>digital infrastructure works have been slow to move forward in the county and the digital deprivation rate still stands at 12.5%.</p> <p>Monmouthshire still has 8,000 premises in the county with poor broadband. Of these, 2211 are under review, which include the Superfast Cymru 1581 target FTTP premises and the two RCDF grant projects. 5855 premises are still considered as ‘no potential suppliers available’.</p> <p>Whilst progress to date has been slow, future planned activity will start to reduce the County’s digital deprivation rates.</p>							
11.	<p>Potential Risk of:</p> <p>Political, legislative and financial uncertainty for council services and local businesses as a result of the UK leaving the European Union</p>	<p>The Withdrawal Agreement Bill has been enacted taking the United Kingdom out of the European Union on 31st January, the UK is in a transition period after leaving the EU until 31 December 2020. During this time, the future UK-EU relationship will be negotiated and agreed. While these negotiations continue there remains uncertainty on future arrangements.</p> <p>The UK Government has stated that the transition period for the negotiation of the future UK-EU relationship will not be impacted by the Covid-19 pandemic, this will need to be monitored.</p> <p>The areas where there are potential risks for the council include:</p> <ul style="list-style-type: none"> - Disruption to the Council’s supply chain (in particular Food Supply) - Threat to EU funded projects/lack of clarity over future funding streams; - Financial implications on budgets due to increased costs in relation to supply chain 	2020/21	Almost Certain	substantial	High	Continue to further develop understanding and coordinate preparations through the Council Brexit working group	<p>Chief Officer Enterprise and Head of Enterprise and Community Animation</p> <p>Ongoing</p>	<p>Many of the negotiations on Britain leaving the EU are outside of the council’s control, given this and remaining uncertainty the post mitigation risk levels have not been assessed to change.</p> <p>A council Brexit working group has been established which is being led by the Chief Officer for Enterprise. The group consists of a range of services most likely to be affected, including Environmental health, social care and People services. A specific Brexit risk register has been established. The group will continue to monitor any impacts and the transition.</p> <p>A Brexit getting ready webpage providing information for residents and businesses has been established, information has also been shared on social media.</p> <p>Service level planning has continued and business continuity mitigation strategies for services to consider/implement developed.</p> <p>Close working with and support from the WLGA has continued</p>	2020/21	Almost Certain	substantial	High	Senior Leadership Team & Cabinet	<p>Select Committee: Economy and Development & Strong Communities</p> <p>Objectives: All</p>
			2021/22	Almost Certain	substantial	High				2021/22	Almost Certain	substantial	High		
			2022/23	Likely	substantial	Medium				2022/23	Likely	substantial	Medium		

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			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
		<p>directly attributed to Brexit and continued austerity measures</p> <ul style="list-style-type: none"> - Potential rise in social conflict and hostility - social cohesion - Medication / medical needs could be disrupted - Impact on construction projects including 21st Century Schools projects due to availability of skilled trade and supplies - Impact on the agricultural sector and wider rural economy which could have further consequences upon the Animal Welfare and Public Protection service 					<p>Continue to refine and update the Medium Term Financial Planning model and assumptions for future service budgets.</p>	<p>Chief Officer Resources</p> <p>Ongoing</p>	<p>The Council has an established Medium Term financial plan to model financial assumptions and scenarios for planning future service budgets, which will continue to be updated.</p> <p>The coronavirus pandemic has accentuated the financial challenges the council was already facing. Understanding the current financial circumstances and challenges resulting from the COVID-19 pandemic will in turn lead the Council to need to plan and plot a revised course to ensure it remains financially sustainable into the future.</p>						
							<p>Continued liaison and work with partners such as Welsh Government, WLGA and treasury advisers to understand and plan for any implications for the Council.</p>	<p>Senior Leadership Team</p> <p>Ongoing</p>	<p>The Council has established working relationships with key partners, such as the Welsh Government, the WLGA and treasury advisers to work with in understanding and planning for any potential risk to Council services. We are engaged with partners on the Gwent Local Resilience Forum Risk Group.</p> <p>£46k was awarded to LA's to assist in undertaking the necessary planning, co-ordination and preparation for COVID-19 and ongoing EU transition and negotiations.</p> <p>Welsh Government funded Community Cohesion grant has also been used to appoint a Community Cohesion Officer until 2021/22. The purpose of the role is to identify and support EU citizens living and working in Monmouthshire and to help them apply for settled status, understand their rights and also to mitigate and report any incidences of hate crime or community tension.</p>						
12.	<p>Potential risk that:</p> <p>The authority cannot deliver its services due to potential internal/external factors resulting in service disruption due to lack of Business Continuity planning.</p>	<p>Due to a variety of threats/hazards, unforeseen circumstances can lead to service disruption issues resulting in loss of ICT, Staff, work premises, third party contractors/suppliers and equipment/specific resources.</p> <p>There is a lack of evidence of the council's Service Business Continuity</p>	2020/21	Possible	Major	Medium	<p>Development of MCC Service Area BCM Plans which present options for alternative service delivery – regardless of the reason / cause of disruption.</p>	<p>Emergency Planning Manager & Heads of Service</p>	<p>Emergency Planning has developed a list of priority services, which is reviewed every two years. BCM Plan frameworks have been developed for Service Managers to follow and to assist in developing specific service BCM Plans. More awareness sessions have been completed, particularly in light of Brexit. Despite this, Internal</p>	2020/21	Possible	Major	Medium	<p>Peter Davies & Cllr Phil Murphy</p>	<p>Select Committee: Economy and Development & Strong Communities</p> <p>Objectives: All</p>
			2021/22	Possible	Major	Medium	<p>The Emergency Planning Service, based on Business Impact Criteria, produce a Register of</p>	<p>Ongoing</p>		2021/22	Possible	Major	Medium		
			2022/23	Possible	Major	Medium				2022/23	Possible	Major	Medium		

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		<p>Management (BCM) Plans illustrating how such threats/hazards can be mitigated robustly</p> <p>The Covid-19 pandemic has seen many areas of the council adopting their Business Continuity strategies as part of the Council’s response; the learning from the response will need to be reviewed in light of the pandemic to determine where improvements can be made.</p>					<p>Priority Services identified as P1, P2, P3 and P4. The focus in the next 12 months will be P1 services; year 2 will be P2 services and year 3 P3 & P4 services.</p>		<p>Audit have reviewed business continuity preparedness and a draft report indicates that service managers still need to develop their business continuity plans.</p> <p>The forecasted risk level will not be reduced until service BCM plans are validated/exercised, which is longer than the three-year strategic risk assessment.</p> <p>There has been considerable focus on the Business Continuity strategies and alternative methods of service delivery since the beginning of the Covid-19 pandemic. Limited work has been undertaken to update business continuity plans and, in areas where these were deemed to be lacking, strategies and dynamic changes to service delivery have been implemented as a matter of urgency.</p>						
13.	<p>Potential risk to:</p> <p>Communities and public service delivery in Monmouthshire due to Global climate changes could impact on the future social, economic, environmental and cultural well-being in the County</p>	<p>Tackling climate change and moving to a low carbon economy is one of the biggest challenges facing our society. Rising temperatures bring increased risks to our communities and are causing long-term and potentially irreversible damage to our planet’s eco-systems, with significant local impacts such as flooding and loss of species.</p> <p>If we are to stand a chance of slowing the rise in the Earth’s temperature we need to act now. Earlier this year, councillors in Monmouthshire were unanimous in declaring a climate emergency. The council will strive to reduce its own emissions and work with communities and local businesses to help them reduce their emissions. This will require engagement, community involvement and commitments from third parties.</p> <p>When considering climate change, it is important to consider both how Monmouthshire is contributing to climate change, but also how</p>	2020/21	Almost certain	Major	High	<p>Deliver the Monmouthshire County Council Climate Emergency Strategy</p>	<p>Head of Policy and Governance</p> <p>Timescales as per strategy</p>	<p>In October 2019, Council received the report to set out Monmouthshire’s strategy and action plan to respond to the Climate Emergency declared by Council in May 2019. The strategy describes the objectives and actions in place to reduce the council’s carbon emissions.</p> <p>Council approved the ten objectives within the plan, which cover the areas of activity that the council will need to focus on to achieve its goal of reducing carbon emissions to net zero by 2030.</p> <p>Council endorsed the action plan, agreeing that this will be an evolving document as new technologies develop and other opportunities arise.</p> <p>A member-led Climate Emergency working group, chaired by the cabinet member with representatives from all political groups, relevant officers and members of the community, has been established to take responsibility for ensuring the action plan continues to progress. The working group met for the first time in January and has used</p>	2020/21	Almost certain	Major	High	<p>Senior Leadership Team & Cllr Jane Pratt</p>	<p>Select Committee: Strong Communities</p> <p>Objectives: Maximise the potential of the natural and built environment</p>
			2021/22	Almost certain	Major	High				2021/22	Almost certain	Major	High		
			2022/23	Almost certain	Major	High				2022/23	Almost certain	Major	High		

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	resilient is the county to the likely impacts of climate change. Flooding along with other extreme weather, can cause significant impacts on infrastructure, homes and businesses along with disruption to business, community life and public services, particularly critical public services people rely on such as care services.						<p>technology to continue meetings during the Coronavirus lockdown. There is clear progress against 53 of the 68 actions.</p> <p>It is clear that COVID-19 has caused some delays to progressing some of our Climate Emergency aspirations, and created some uncertainty over funding. The pandemic is likely to impact on economic, social, environmental and cultural well-being of the County. There is a need to continue to understand the impact and adapt/develop the strategy accordingly. For example, we have seen changes to the way we work, the amount we travel, how we manage greenspaces and promote active travel.</p> <p>There is also a growing recognition nationally and internationally of the need to build climate change into a green recovery.</p>							
					Prepare and adapt for the impact of climate change.	Senior Leadership Team Ongoing	<p>There are lots of things that the council is doing to make sure that we are prepared for the impacts of climate change. In recent years, council services have thought about what the potential risks to their services are, in order to start thinking about how to adapt to these risks. The Local Development Plan has a key role to play in making sure that our communities are sustainable and resilient to the impacts of climate change.</p> <p>Much of the work to co-ordinate emergency responses is organised through the Gwent Local Resilience Forum (LRF). We will continue to work with partners on the LRF to make sure that we are prepared for severe weather events.</p> <p>Severe flooding in winter 2020 has caused considerable damage to homes and networks in certain areas of the county. Work is continuing to repair this damage, although some of these</p>							

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			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level			
								efforts have been hindered by the Covid-19 pandemic. The impact of the floods continues to be reviewed and any potential mitigations identified.								
14.	Potential risk that: Declining recycling rates will prevent achievement of the Welsh Government target of 70% recycling rates throughout Wales.	<p>Monmouthshire’s recycling rate peaked in 2016 at 67% and there has been a slow but steady decline in performance since then. The recycling rate for 2018/19 was 63.37%, and the provisional recycling rate for 2019/20 is 65.56%, above the national target of 64%. Performance needs to improve in this area to ensure recycling rates increase going forward.</p> <p>Monmouthshire tries to ensure that focus is given to reducing waste production wherever possible, with campaigns to reduce food waste and single use plastics, and use of returnable milk bottles. However, these campaigns can have a negative impact on recycling rates. It is likely that public awareness of climate change will continue to see a reduction in the available material for recycling.</p> <p>Reduced expenditure at national and local government level on promotional campaigns that enforce and support positive recycling behaviour, coupled with increased scepticism and negative media coverage of recycling, impacts on public participation in local services.</p> <p>Changes to services and social distancing restrictions due to the Covid-19 pandemic may have an impact on recycling rates for the county. Garden waste collections were suspended, HWRC were initially closed prior to being re-opened on an appointment only basis. There have been some missed collections due to staff shortages. The impact on fly tipping will also need to be monitored both during and following any easing of lockdown.</p>	2020/21	Likely	Moderate	Medium	Deliver the actions identified in the Household Recycling report (part 1: kerbside provision)	Head of Neighbourhood Services	This was presented to Cabinet in December 2019. Waste and recycling service provision must continually evolve to meet challenging targets, volatile markets and increasing costs. This report sets out measures that will be necessary to achieve national recycling targets, minimise budget increases and provide sustainable waste services going forward.	2020/21	Likely	Moderate	Medium	Frances O’Brien & Cllr Jane Pratt	<p>Select Committee: Strong Communities</p> <p>Objectives: Maximise the potential of the natural and built environment</p>	
			2021/22	Likely	Moderate	Medium		As per report timescales		2021/22	Possible	Moderate	Low			
			2022/23	Likely	Moderate	Medium				2022/23	Possible	Moderate	Low			
							Deliver the actions identified in the Household Recycling report (part 2: HWRC provision)	Head of Neighbourhood Services	Data will continue to be reviewed to establish the impact of the pandemic on recycling rates, and to determine if any learning can be taken from recent months to improve recycling figures going forward.							
								As per report timescales	This report sets out measures that will be necessary with regard to HWRC provision in order to achieve national recycling targets, minimise budget increases and provide sustainable waste services going forward. HWRC provision must continually evolve to meet challenging targets, volatile markets and increasing costs. Behavioural change interventions that reduce waste and increase recycling at the household waste recycling centres are proven to be effective across Wales. Due to the high tonnage throughput at our sites, compared to other local authorities, these changes will have the potential to deliver a significant positive impact on recycling rates. Rationalising service provision will allow investment in the service and drive up recycling performance.							
									Data will continue to be reviewed to establish the impact of the pandemic on recycling rates, and to determine if any learning can be taken from recent months to improve recycling figures going forward.							

	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
15. New	Potential risk that: The spread of the Coronavirus (COVID-19) outbreak will impact on staff and residents health and cause delays or reductions in the Council's service delivery	Coronavirus (COVID-19) is a new strain of coronavirus first identified in Wuhan City, China in December 2019.	2020/21	Almost certain	Major	High	Implement the council's strategic response via the Emergency Response Team, in conjunction with the Gwent Strategic Coordinating Group – the multi-agency group that consists of key partner agencies that play a role in mitigating the impacts of the outbreak	Strategic Leadership Team ongoing	The Council enacted its Emergency Management Plan and business continuity arrangements to deliver and coordinate the response to Covid-19. The plan works across Council services, as well as external partners such as the emergency services, neighbouring local authorities and Welsh Government. The main element of the council's response is via the Emergency Response Team (ERT). The ERT chair was rotated between Strategic Leadership Team members. All directorates and COVID-19 specific sub groups established to support the response are represented on the group. A representative sits on the Strategic Coordinating Group (SCG). As the Council has progressed through its response phase, which is still active and on-going, the responsibility of the Council's Emergency Response Team has now been transferred to the Council's Strategic Leadership Team. The ERT established an independent risk register, while the full ERT is no longer functioning the operational risks on the register continue to be monitored and reviewed. Relevant risks have also been managed through other mechanisms for continued monitoring, including the strategic risk register and business plans. A revised purpose has been established, along with revised strategic aims, which provide direction to all activities specifically related to the Covid-19 pandemic. Regular updates are being provided to all staff via the Hub, with the latest information on the status of the outbreak and ways to contain its spread. This includes guidance for line managers on keeping staff informed.	2020/21	Almost certain	Substantial	High	Strategic Leadership Team & Cabinet	Select Committee: Adults Select Objectives: All
		Public Health Wales is working closely with the Welsh Government, and the other UK public health agencies, to carefully monitor the situation and implement a planned response, with measures in place to protect the health of the public. On the 19 th June the UK's coronavirus alert level was downgraded from level 4 "Transmission is high or rising exponentially" to level 3 "Virus is in general circulation" with the corresponding measures in place being at the gradual relaxation of restrictions. The number of COVID-19 cases and deaths has declined in Wales and Gwent. Welsh Government has continued to ease the lockdown restrictions that have been in place since March. Covid-19 remains an active threat. The risk now concerns any resultant resurgence of COVID-19 cases, whether it be through a local outbreak or a second wave as we move towards the Autumn and flu season where the capacity of the NHS will be reduced. The Coronavirus (COVID-19) pandemic has posed a significant and unprecedented challenge to our way of life and how the Council continues to provide a range of vital services. The need to preserve life and stop the spread of the virus, while continuing to support communities, has meant that a lot of our usual work has been re-purposed or paused. The impact of the coronavirus pandemic could lead to an increase in staff absence due to illness or self-	2021/22	Almost certain	Major	High				2021/22	Likely	Substantial	Medium		
			2022/23	Almost certain	Major	High	Implement, and continue to refine, the Council business continuity plans and strategies	Strategic Leadership Team		2022/23	Likely	Substantial	Medium		

Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
		Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
	<p>isolation. This could result in a lack of capacity to respond to other major incidents, should they occur, and also cause a shortage in capacity to respond to agreed priority services. The delivery of social care services is essential and achieved through a dedicated service model, which could be impacted by the reduction in staff numbers.</p> <p>This risk could be exacerbated by the implementation of the Test, Trace and Protect protocol if large numbers of staff are required to self-isolate. The protocol has just been implemented and its impact will continue to be monitored.</p> <p>A shortage of Personal Protective Equipment (PPE) supplies could also put the health and wellbeing of front line staff at risk</p>					<p>ongoing</p> <p>Monitoring measures that need to be put in place to keep priority service areas functioning in the county, in particular:</p> <ul style="list-style-type: none"> i. Emergency response ii. Social care particularly in adult services and iii. Operational capacity to maintain essential services. 	<p>ongoing</p> <p>Strategic Leadership Team</p> <p>ongoing</p>	<p>Staff absence rates initially increased but have since begun to reduce. This is being monitored for the impact on priority services.</p> <p>Where necessary, staff have been redeployed to ensure service delivery is maintained at acceptable levels. Redeployment has primarily taken place amongst staff whose primary role has ceased due to service restrictions or closures. Service statuses are being monitored by each directorate and any issues, risks or escalations are being reported.</p> <p>Testing for the virus is now available for all staff and their family members who are symptomatic. We are continuing to implement the robust protocol for testing to facilitate staff to return to work.</p> <p>Test, Trace and Protect protocol has been established. This process will be monitored closely to determine the impacts on staffing levels, due to both redeployment into the scheme, and also should a large number of staff be identified as requiring 14 days self-isolation. Business Continuity strategies continue to be updated to ensure services can continue if staffing levels are significantly affected.</p>						
						<p>Ensure staff working in service areas that require the use of PEE have access and guidance on the correct equipment</p>	<p>Chief Officer, Social Care & Health</p> <p>ongoing</p>	<p>Guidance has been developed and is now available for each department to utilise.</p> <p>Work continues to ensure all our staff, who have the need, can access the right Personal Protective Equipment (PPE)</p>						
						<p>Deliver with partner agencies an effective Test Track and Protect system to identify virus outbreaks quickly and contain them</p>	<p>Head of Public Protection</p> <p>Ongoing</p>	<p>Alongside Gwent partners, the council is contributing to the operation of the COVID-19 Test, Trace and Protect scheme. This aims to trace and contact residents who have been in contact with the virus to provide advice and request they self-isolate to try and minimise the spread of the virus.</p>						

	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
								Arrangements continue to be developed for the prompt identification and investigation of clusters/outbreaks and appropriate control/prevention measures if/where required.							
							Work with partners on measures aimed at maintaining a reduced level of transmission and responding rapidly to a resurgence of COVID-19 cases identified via Trace, track and Protect. Also using data supplied by PHW to monitor and respond appropriately to indicators that also indicate an increase in community transmission.	Strategic Leadership team Ongoing	Welsh Government and the Gwent Strategic Coordinating Group (SCG) continue to respond appropriately – with Monmouthshire County Council engagement as necessary. A series of agreed stand down criteria for the SCG has been agreed and continues to be monitored. Once these criteria have been met and SCG risks are either mitigated, transferred or tolerated – the multi-agency response will remain active and maintain an on-going response.						
16. New	Potential risk that: Care Homes could be hit by an outbreak of Covid-19, affecting some of our most vulnerable residents.	Evidence has shown that older age and certain underlying health conditions, as well as other factors, are associated with greater risk and impact of COVID-19. Care homes have particularly been affected by Covid-19 with many homes suffering outbreaks. Patients being discharged from hospital and new residents admitted from the community could increase the risk of the virus entering the home.	2020/21	Almost certain	Major	High	Strengthen and implement community testing arrangements	Chief Officer, Social Care & Health September 2020	Prior to hospital discharge and admission to a Care Home, tests will be carried out to prevent the spread of Covid-19. Arrangements are already in place for this but will be enhanced going forward. In addition, the Gwent Standard Operating Procedure requires that anyone being discharged from hospital to a care home must have had a Covid-19 test with a negative result within 48 hours prior to discharge; a fourteen day isolation period will then be required. Homes with outbreaks are being supported in collaboration with Public Health Wales, Aneurin Bevan University Health Board and Environmental Health. Following an outbreak homes will need to remain closed to admissions/transfers for a period of 28 days.	2020/21	Likely	Major	High	Julie Boothroyd & Cllr Penny Jones	Select Committee: Adults Select Objectives: Lifelong Well-being
			2021/22	Likely	Major	High				2021/22	Possible	Major	Medium		
2022/23	Likely	Major	High	2022/23	Possible	Major	Medium								
						Ensure that stocks of PPE continue to be available to providers as needed and that the system of distribution remains in a manner that is proportionate to that need.	Chief Officer, Social Care & Health Ongoing	At the outset of the pandemic the provision of Personal Protective Equipment was a source of real anxiety for care home providers. There was a lack of clarity about the equipment required and it became very difficult to source. When supplies became available via the Welsh Government a weekly PPE ordering and delivery system was introduced. The system has worked well and feedback							

Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective	
		Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level			
								suggests that it has offered the necessary peace of mind							
						Keep in place the system of active and prompt support to providers regarding infection control	Chief Officer, Social Care & Health & Head of Public Protection	Care homes have been issued with a plethora of guidance relating to various aspects of infection control. To support providers, Environmental Health Officers have built relationships with care homes and have acted as a source of advice on infection control, guidance interpretation, the use of PPE and testing.							
							Ongoing	This relationship and advice has been particularly important with the more specific and more intensive work undertaken with care homes with outbreaks of coronavirus							
17. New	Potential risk that: The coronavirus pandemic could have a considerable economic impact resulting in business closures and job losses, significantly impacting on the economy in Monmouthshire and financial situation of some Monmouthshire residents	The relaxation of lockdown measures could result in the removal of financial safeguards such as the furlough scheme and the availability of grants, making it harder for local businesses to survive. The negative impact this could have on the local economy may result in the loss of local businesses, subsequent local job losses and increased unemployment. The wider impact this may have on families could result in financial hardship, and related issues such as food poverty and homelessness. The authority will need to monitor this situation closely and consider allocating additional resources to support those most significantly impacted.	2020/21	Likely	Major	High	Continue to administer grants to businesses efficiently and effectively whilst WG funds are available to do so.	Head of Enterprise & Community Animation	Support has been provided to local businesses, wherever possible, and specifically through timely payment of COVID-19 grants. The Council has strived to ensure businesses are aware of the support available and continued to provide business advice and support throughout.	2020/21	Likely	Substantial	Medium	Frances O'Brien & Cllr Bob Greenland	Select Committee: Economy and Development Objectives: Thriving and well connected county
			2021/22	Likely	Major	High		Ongoing		2021/22	Likely	Substantial	Medium		
			2022/23	Likely	Major	High	Work with the local business community in re-opening our Town Centres	Head of Enterprise & Community Animation	Work continues to support the safe re-opening of Monmouthshire's town and village centres, and the businesses that reside within them. Proposals continue to be refined on how we adapt our main town centres to make them safe when retail returns. Considerable consultation has taken place to seek the opinions of our residents and to gather ideas about how Monmouthshire's town and village centres could look in the future to inform this.	2022/23	Likely	Substantial	Medium		
							Ongoing	On-going consultation continues with the local Chambers of Commerce via the Monmouthshire Business Resilience Forum which meets regularly.							

	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
							Agree a coherent marketing and communications plan with our local business community via the Monmouthshire Business Resilience Forum.	Head of Enterprise & Community Animation Ongoing	Ongoing communications campaign encouraging businesses to apply for grants. Promotion of wider Government business and job retention programmes. 'Shop Local, Shop Monmouthshire' delivered to encourage shoppers back into town centres and support local businesses.						
18. New	Potential risk that: The coronavirus and lockdown measures could have a disproportionately negative impact on the well-being of some sections of our communities, resulting in increased poverty and inequality	There is evidence that the economic impact of the virus disproportionately affects those working in lower-paid sectors, which can exacerbate issues of poverty and inequality. Those on lower incomes are less-likely to have access to technology and outdoor spaces. There is evidence that the pandemic has a bigger impact on the well-being of those in more deprived communities. Analysis has shown the association between deprivation and the risk of COVID-19. Evidence has shown age, underlying health conditions and ethnicity, along with other factors, is associated with greater risk and impact of COVID-19. Lockdown measures have seen businesses close, recreation activities limited, and education mechanisms altered drastically. There is a risk that those already facing poverty and inequality will face a worsening situation due to increased financial hardship, health deterioration and a decline in educational attainment.	2020/21 2021/22 2022/23	Likely Likely Likely	Major Major Major	High High High	Continue to promote access to benefits, including spreading council tax payments over longer periods	Assistant Head of Finance Ongoing	Work is ongoing to support households affected by the pandemic. Actions taken to date include: <ul style="list-style-type: none">Helping Benefit claimants make either a new claim or provide a provisional assessment of entitlement through the use of a Freephone number.Inviting customers making a claim for Universal Credit to also claim for Council Tax Reduction (CTRS)Offering Council Tax payers, who are struggling to pay, the option to defer or reduce payments initially and to spread their payments over 12 months rather than 10 months. As a consequence, the Authority has seen a significant increase in CTRS caseload rising from 5,721 cases on 1 st April 2020 to 6,024 by 13 th July 2020. Recovery for unpaid Council Tax has recently started up again, albeit very gently. The first step has been to send a supportive text to 205 customers who have, to date, not engaged with the Council.	2020/21 2021/22 2022/23	Possible Possible Possible	Substantial Substantial Substantial	Medium Medium Medium	Frances O'Brien & Cllr Sara Jones	Select Committee: All Objectives: All
							Make technology available to school pupils who do not have access to devices at home;	Chief Officer Children & Young People	We have provided digital technology and connectivity to pupils without access so they could continue to learn, minimising any potential digital 'gap'						
							Undertake data modelling to identify communities at greatest risk and use this to target proactive responses such as commissioning of services	Head of Enterprise & Community Animation and Head of Policy & Governance	Data modelling has commenced, examples of this modelling were shared at a recent members seminar						

Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
		Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
						As part of the Council's continued commitment to Social Justice, Review evidence and plan activity related to poverty in Monmouthshire.	Head of Enterprise & Community Animation	Reconfiguration of two posts dedicated to this work as agreed in a motion at Council on 4th June						

Appendix 3 - Strategic Risk Management Policy – Summary

This sets out the Council’s policy and approach to strategic risk management. A copy of the full policy and guidance is available to staff and members on the council’s intranet the Hub (Finance & Performance Management section – risk assessment)

Risk Management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them or responding to them. Strategic risks are those which affect the Council as a whole. Typically these will be key risks which could significantly jeopardise the Council’s ability to achieve it’s objectives, statutory plans and/or provide operational services as planned.

The Council is committed to the effective management of risk. As a large public sector organisation, it is exposed to a wide range of risks and threats in delivering key services to communities. Within the Council the purpose of risk management is to:

- preserve and protect the Council’s assets, reputation and staff
- promote corporate governance and aid good management in controlling and managing risks
- support successful delivery of strategic aims, objectives and outcomes
- improve business performance and better anticipate calculated risks where these are likely in delivering improvements
- avoid unnecessary liabilities, costs and failures

The Council seeks to ensure that risk management is effective from strategic to individual services and employees. Therefore, all employees and councillors are responsible for ensuring there are good levels of internal control and risk management throughout the Council in order that the Council’s specified outcomes are achieved.

The Council uses a ‘traffic light’ system of Red/Amber/Green associated with High/Medium/Low to categorise risk levels. This is determined using the risk matrix below

Impact/Severity	major	Low	Medium	High	High
	substantial	Low	Medium	Medium	High
	moderate	Low	Low	Medium	Medium
	minor	Low	Low	Low	Low
		Unlikely	possible	Likely	Almost certain
		Likelihood			

High risk	The risk is highly likely to occur and the impact will be major. Management action/control evaluation and improvement is required coupled with continued pro-active monitoring
Medium risk	The risk is unlikely to result in a major issue, however, if it did the impact would be significant or serious . This risk is relatively less significant than a High risk however it needs to be closely monitored within timely management action/controls to ensure it does not escalate.
Low risk	The risk is very unlikely to occur and the impact will be minor or moderate at worst. Risk will be managed by seeking control improvements where practical and / or monitoring and reviewing at regular intervals

AUDIT COMMITTEE FORWARD PLANNER 20 - 21

Date of Meeting	Title	Description/Purpose	Ward Affected	Lead Officer	Report Type	Exempt?
3rd Sept 2020						
03.09.20	Anti bribery risk assessment			Peter Davies		
03.09.20	Internal Audit Progress report			Andrew Wathan		
03.09.20	Audited Statement of Accounts			Peter Davies		
03.09.20	ISA260 Response to Accounts			Audit Wales/Peter Davies		
03.09.20	Reserves review			Jon Davies		
03.09.20	Internal Audit Outturn report 2019/20			Andrew Wathan		
03.09.20	Internal Audit Plan 2020.21			Andrew Wathan		
15th Oct 2020						
15.10.20	WAO Annual Improvement Report			Audit Wales/Emma Davies		
15.10.20	Information Breaches (twice yearly)			Matt Gatehouse		

26th Nov 2020						
26.11.20	Quarter 2 update and Progress			Andrew Wathan		
26.11.20	Self Evaluation			Andrew Wathan		
26.11.20	Overview of Performance Management arrangements	To present an update on the current effectiveness of the Authority's performance management arrangements	Not Applicable	Performance Manager	Performance Review	
26.11.20	Mid Year Treasury Report	A mid year update to Members on the Authority's Treasury Management activities in the first 6 months of the year. The report will compare key measures in the first half of 19/20 to levels budgeted or forecast in the 2019/20 Treasury Strategy. As the Prudential code now covers non-treasury investments, the half year report will do also at a high level. Any recommendations due to variances or observations will be included.	All Wards	Jon Davies/Lesley Russell		No
26.11.20	Audited Trust fund Accounts (Welsh Church Fund/Mon Farms/Llanelli Hill)	Annual Report and Financial Statements for the year ended the 31 March 2019	Not Applicable	Dave Jarrett/Nikki Wellington		
26.11.20	ISA 260 or equivalent for Trust Funds			Audit Wales		
7th Jan 2021						

07.01.21	Anti bribery Audit Training	To raise awareness and impact of the Bribery Act 2010: to provide Members and Officers sufficient information to avoid being accused of bribery and corruption in undertaking their duties for MCC.	Not applicable	Andrew Wathan/John McConnachie		
07.01.21	6 month update on unfavourable opinions - Internal Audit	At the conclusion of Internal Audit jobs an opinion on the adequacy of the internal control environment, governance and risk management processes is given. This report provides Audit Committee with an update of how services are progressing in order to demonstrate improvements		Andrew Wathan		
07.01.21	Internal Audit Progress report - quarter 3	This is a regular quarterly report which identified the performance of the IA team along with how well it is progressing against the agreed plan and the level of assurance it gives by way of opinions issued to service areas.		Andrew Wathan		
07.01.21	Treasury Policy and Strategy report 2020-21	This suite of documents includes the Treasury Policy, The Treasury Management Strategy, the Minimum Revenue Provision Policy & the Investment and Borrowing strategies for 2020/21. If approved the targets and limits included will be used to guide and control the management of the Authority's treasury activities for	All Wards	Jon Davies/Lesley Russell		

		the year and also non treasury Investment activity.				
25th Mar 2021						
25.03.21	Whole Authority Strategic Risk Assessment	To provide Audit Committee with an overview of the current strategic risks facing the authority in the Whole Authority Strategic Risk Assessment.		Richard Jones		
25.03.21	Annual Governance Statement review 2019-20	Provides overall assurance on the governance arrangements in place within MCC during financial year.		Andrew Wathan		
25.03.21	Annual Performance Review of Investment Committee			Deb Hill-Howells		

Public Document Pack Agenda Item 11

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held
at Remote Meeting on Thursday, 25th June, 2020 at 2.00 pm

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

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

OFFICERS IN ATTENDANCE:

Andrew Wathan	Chief Internal Auditor
Peter Davies	Chief Officer, Resources
Gareth Lucey	Wales Audit Officer
Charlotte Owen	Wales Audit Officer
Richard Jones	Performance Manager
Jonathan Davies	Central Accountancy Finance Manager

APOLOGIES:

None

1. Declarations of Interest

County Councillor A. Easson declared a personal, non-prejudicial interest in agenda item 7 (Monmouthshire County Council Draft Accounts) as a Governor of Ysgol Gymraeg Y Ffin and Dewstow Primary School.

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. The following updates were provided:

- Performance Management: The Chief Officer, Resources responded that since the last meeting, the authority had been responding to the COVID 19 emergency by prioritising support for communities and businesses. The Performance Management report that was planned has been delayed. Focus has been on the wellbeing of staff reflecting the new circumstances. The introduction of Microsoft Teams across the organisation was commented upon. An analysis of staff interaction via Teams will be undertaken to provide information for future working and communication. A Member queried if any assessment was being conducted into the psychological impact on staff working from home (e.g. isolation). It was confirmed that a staff survey is in progress. Whilst appreciating everyone's circumstances are different, so far responses indicate that, for most staff, working at home has been a positive experience with more interaction with teammates for some. A lot of wellbeing materials are available. County Hall is shortly to re-open in line with UK Government social distancing requirements for staff who want to work there for short periods.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held at Remote Meeting on Thursday, 25th June, 2020 at 2.00 pm

- Unfavourable Audit Opinions: The Chief Internal Auditor referred to the work concerning Agency Work 2018/19 and 2019/20. All responses have now been received and the finalised report sent to senior managers in March 2020. Managers have agreed to implement most of the recommendations. A summary version of the report will be brought to Audit Committee and will be added to the work programme.
- Whole Authority Strategic Risk Assessment: The Performance Manager provided an update on the long-term risk and opportunities work being developed in partnership with Gwent Public Service Board. This work is still under development and timescales have been affected by COVID 19. Currently, the whole authority risk register has been updated according to the new risks posed by COVID 19 (e.g. the financial impact). The new risks will be managed and mitigated according to the authority's strategic risk management arrangements. In response to a question, it was confirmed that Emergency Planning and Business Continuity arrangements are in place to manage the current emergency, and the responsibility of the Audit Committee is to seek reassurance about the authority's strategic risk management arrangements and these are regularly reported upon. An interim monitoring report covering COVID 19 will be added to the Work Programme.
- Investment Committee Annual Review: The Chief Officer, Resources explained that there has been regular and frequent communication with tenants at Castle Gate and Newport Leisure Park. Whilst no rent concessions have been agreed to date, quarterly rent invoices have been issued and may trigger further conversations. UK Government support measures for job retention and furlough of staff are in force. It was pointed out that the local authority will have significant shortfall arising from loss of income from Leisure Services, Registrars etc. £78m funding has been made available by Welsh Government and the eligibility criteria is awaited. Audit Committee will be provided with a report at a future meeting and assurance was provided that the Investment Committee receives regular reports to keep abreast of the current situation. A Member asked about the possible re-opening of some leisure outlets with social distancing and the effect on Investment Policy going forward. It was responded that the investments are for long term gain. The Investment Committee will continue to monitor and manage the ongoing and evolving situation. There are no current plans for exit strategies.

4. Code of Corporate Governance

The Chief Internal Auditor introduced the Code of Corporate Governance explaining that this is a framework to establish the Annual Governance Statement.

The Council uses the Code of Corporate Governance to establish its Annual Governance Statement to ensure that the Council conducts its business in accordance with the law and to proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. It is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and includes arrangements for the management of risk.

In response to a query about the leadership descriptors, it was confirmed that the descriptions are standard principles from the CIPFA and SOLACE (Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives) Corporate Governance guidance and there are references to Officer/Member protocol. The training element for Members is mentioned in the Annual Governance Statement.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held at Remote Meeting on Thursday, 25th June, 2020 at 2.00 pm

In line with the report recommendations, the Audit Committee contributed to the appropriateness and content of the draft Code of Corporate Governance and subsequently endorsed it for Cabinet approval.

5. Annual Governance Statement

The Chief Internal Auditor presented the Annual Governance Statement noting that it feeds into the annual statement of accounts, and is based on the Corporate Code of Corporate Governance. Included are links to the Corporate Plan, Risk Management arrangements, work of the Public Service Board, the authority's work and internal controls. This year an overview of the Council's response arrangements to the COVID 19 pandemic is included.

It was commented that it is a comprehensive and well set out document. In line with the report recommendations, the Audit Committee contributed to the appropriateness and content of the draft AGS 2019/20 and subsequently endorsed it.

6. Monmouthshire County Council Draft Accounts

The Finance Manager presented the draft accounts. Credit was paid to the efforts of the Finance Team, during difficult circumstances, for submitting the accounts to Audit Wales by the statutory deadline of 15 June 2020. Thanks were officially recorded from the Committee and Chief Officer for Resources. The audited statement of accounts will return to this Committee at the September meeting to consider recommendation to Council and publication by the statutory publication date of 15th September 2020. The content of the statement is highly regulated by legislation. Following presentation, questions were asked by Members, as follows:

In response to a question, it was confirmed that Select Committees do not consider the statement of accounts; Audit Committee completes scrutiny. Outturn reports are presented to Select Committees.

County Councillor A. Easson declared a personal, non-prejudicial interest in the following matter as a Governor of Ysgol Gymraeg Y Ffin and Dewstow Primary School.

Regarding School deficits, Cabinet has received a detailed report of those schools with deficit budgets, and those moving out of deficit. Schools are required to agree that they the deficit will be removed within three years. Extensions to this timeframe are permitted only with the agreement of the authority. Interest free loans are also available to schools to aid recovery from deficit. A Member questioned the principle of allowing schools to borrow funds to recover from a deficit position, and was concerned that the cost of loans could rise to a point that schools would be unable to repay the loan. It was responded that schools can access interest free loans with a repayment period of ten years. The basis being that the funds can assist restructuring. Officers would work with schools to provide advice on financial planning

In respect of debtors, it was explained that there has been a slight reduction in debtors since the previous year. The authority's Finance Team uses a process to actively recover debt. Allowance has been made to take into account the impact of COVID 19 on council tax arrears. Provision for bad/unrecoverable debt is contained in the statements of accounts.

With regard to redundancies, it was explained that these have been mainly due to the restructuring of services so it is difficult to predict if redundancies have reached a peak.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held at Remote Meeting on Thursday, 25th June, 2020 at 2.00 pm

A Member pointed out that the Council's administrative centre is at The Rhadyr, not Usk and asked that this is amended. The Member also queried why the revised budget and not the original budget is included to enable comparison and to review performance. It was agreed to take this into account.

Responding to a question about the Cardiff Capital Region (CCR), the Chief Officer for Resources provided detail that the CCR investment fund has made one significant investment for compound semiconductor sector (IQE PLC). CCR is actively establishing a number of funds that require business cases and expenditure for due diligence. It is anticipated there will be significant investment during 2020/21. A Members' Seminar is arranged for the Leader, Chief Executive and Chief Officer for Enterprise to provide a wider update on the activity of the CCR.

In response to a question, it was responded that the authority sets borrowing limits as part of its treasury strategy at the beginning of each year. To exceed the borrowing limit would require the approval of Council. Borrowing during 2019/20 was below the limit set.

As per the recommendations in the report, the draft Monmouthshire County Council Statement of Accounts for 2019/20, as presented for audit, was reviewed.

7. Audit Committee Self-Assessment

The Chief Internal Auditor reported upon the Audit Committee self-assessment activity. The majority of Committee Members had completed the survey and the outcomes were mainly positive. It was agreed that the Chief Internal Auditor would form an action plan to address where some Members may have registered concerns based on the outcomes and discussion with the Committee. It was agreed to add the following to the action plan or otherwise address:

Q10: Formalise Officers' attendance at Audit Committee (promptness etc)

Q13: Formalise Interaction with other Committees – Chief Internal Auditor to liaise with Scrutiny Manager

Q22: Client perceptions on Internal Audit Team performance – Customer Satisfaction Survey overview of customer ratings to be added to quarterly report.

Q27: Private meetings with the External Auditor – this facility is available and can be accommodated as necessary. Good relationships exist with Audit Wales.

Q41: Knowledge and Skills framework – Chief Internal Auditor to look into feasibility of providing training for Audit Committee tailored to the knowledge and skills of members.

In line with the recommendations in the report, the Audit Committee considered the feedback of its own self-assessment and agreed that the comments are a consensus of the group; considered any improvements they have identified in the governance arrangements or the way Audit Committee operates to take forward via an agreed action plan.

8. Audit Wales: Certificate of Compliance for the Audit of Monmouthshire County Council's 2020/21 Improvement Plan

The Audit Wales Officer presented the report. It was confirmed that the Council has discharged its duty to produce a forward-looking Improvement Plan that is in line with the legislative requirements of the Local Government Measure. Consequently, a Certificate of Compliance has been issued.

The Performance Manager provided clarification that the report refers to the publication of the mid-term refresh of the Council's Corporate Plan for the period 2017-2022.

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9. Forward Work Planner

In response to a question, it was confirmed that the Monmouthshire Schools Farm Trust and Welsh Church Fund accounts are listed for consideration by Cabinet.

10. To confirm minutes of the previous meeting

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

11. To confirm the date of next meeting as 30th July 2020 at 2pm

Meeting ended at 3.50 pm

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