

Public Document Pack



Neuadd y Sir
Y Rhadyr
Brynbuga
NP15 1GA

Dydd Mercher, 23 Mehefin 2021

Hysbysiad o gyfarfod

Pwyllgor Llywodraethu ac Awdit

Dydd Iau, 1af Gorffennaf, 2021 at 2.00 pm,
Neuadd Y Sir, Y Rhadyr, Brynbuga, NP15 1GA

AGENDA

Item No	Item	Pages
1.	Ethol Cadeirydd	
2.	Penodi Is-gadeirydd	
3.	Ymddiheuriadau am absenoldeb	
4.	Datganiadau o Fuddiant	
5.	Fforwm Agored i'r Cyhoedd	
6.	Nodi'r Rhestr Weithredu o'r cyfarfod diwethaf	1 - 2
7.	Adroddiad Blynyddol y Pwyllgor Archwilio 2020/21	3 - 8
8.	Adroddiad Grantiau Blynyddol - Archwilio Cymru 2019/20	9 - 20
9.	Diweddariad Eithriad Rheolau Gweithdrefn Contractau	21 - 42
10.	Datganiad Llywodraethu Blynyddol (ynghyd ag adolygiad datganiad o gynnydd 2020/21)	43 - 64
11.	Toriadau Gwybodaeth a Diogelu Data	65 - 72
12.	Blaengynllun Gwaith	73 - 76
13.	Cadarnhau cofnodion y cyfarfod blaenorol	77 - 82
14.	I gadarnhau dyddiad ac amser y cyfarfod nesaf fel ar y 29ain Gorffennaf 2021 am 2.00pm	

15.	Ystyried a ddylid gwahardd y wasg a'r cyhoedd o'r cyfarfod wrth ystyried yr eitemau busnes canlynol yn unol ag Adran 100A Deddf Llywodraeth Leol 1972, fel y'i diwygiwyd, ar y sail ei bod yn cynnwys gwybodaeth fel y'i diffinnir ym Mharagraff 14 o Ran 4 o Atodlen 12A i'r Ddeddf (Barn y Swyddog Priodol ynghlwm).	
16.	Seiberddiogelwch	83 - 90
17.	Archwilio Cymru: Cydnerthedd Seiber yn y Sector Cyhoeddus	91 - 114

Paul Matthews
Prif Weithredwr

CYNGOR SIR FYNWY

MAE CYFANSODDIAD Y PWYLLGOR FEL SY'N DILYN:

Philip White (Co-opted Member)

County Councillor Peter Clarke	Llangybi Fawr;	Welsh Conservative Party
County Councillor Tony Easson	Dewstow;	Welsh Labour/Llafur Cymru
County Councillor Mat Feakins	Drybridge;	Welsh Conservative Party
County Councillor Jim Higginson	Severn;	Welsh Labour/Llafur Cymru
County Councillor Malcolm Lane	Mardy;	Welsh Conservative Party
County Councillor Phil Murphy	Caerwent;	Welsh Conservative Party
County Councillor Val Smith	Llanbadoc;	Independent Group
County Councillor Brian Strong	Usk;	Welsh Conservative Party
County Councillor Jo Watkins	Caldicot Castle;	Liberal Democrats
County Councillor Bryan Jones	Goytre Fawr;	Welsh Conservative Party
County Councillor Paul Jordan	Cantref;	Welsh Conservative Party

Gwybodaeth Gyhoeddus

Mynediad i gopiâu papur o agendâu ac adroddiadau

Gellir darparu copi o'r agenda hwn ac adroddiadau perthnasol i aelodau'r cyhoedd sy'n mynychu cyfarfod drwy ofyn am gopi gan Gwasanaethau Democrataidd ar 01633 644219. Dylid nodi fod yn rhaid i ni dderbyn 24 awr o hysbysiad cyn y cyfarfod er mwyn darparu copi caled o'r agenda hwn i chi.

Edrych ar y cyfarfod ar-lein

Gellir gweld y cyfarfod ar-lein yn fyw neu'n dilyn y cyfarfod drwy fynd i www.monmouthshire.gov.uk neu drwy ymweld â'n tudalen Youtube drwy chwilio am MonmouthshireCC. Drwy fynd i mewn i'r ystafell gyfarfod, fel aelod o'r cyhoedd neu i

gymryd rhan yn y cyfarfod, rydych yn caniatáu i gael eich ffilmio ac i ddefnydd posibl y delweddau a'r recordiadau sain hynny gan y Cyngor.

Y Gymraeg

Mae'r Cyngor yn croesawu cyfraniadau gan aelodau'r cyhoedd drwy gyfrwng y Gymraeg neu'r Saesneg. Gofynnwn gyda dyledus barch i chi roi 5 diwrnod o hysbysiad cyn y cyfarfod os dymunwch siarad yn Gymraeg fel y gallwn ddarparu ar gyfer eich anghenion.

Nodau a Gwerthoedd Cyngor Sir Fynwy

Ein diben

Adeiladu Cymunedau Cynaliadwy a Chydnerth

Amcanion y gweithiwn tuag atynt

- Rhoi'r dechrau gorau posibl mewn bywyd i bobl
- Sir lewyrchus a chysylltiedig
- Cynyddu i'r eithaf botensial yr amgylchedd naturiol ac adeiledig
- Llesiant gydol oes
- Cyngor gyda ffocws ar y dyfodol

Ein Gwerthoedd

Bod yn agored. Rydym yn agored ac yn onest. Mae pobl yn cael cyfle i gymryd rhan mewn penderfyniadau sy'n effeithio arnynt, dweud beth sy'n bwysig iddynt a gwneud pethau drostynt eu hunain/eu cymunedau. Os na allwn wneud rhywbeth i helpu, byddwn yn dweud hynny; os bydd yn cymryd peth amser i gael yr ateb, byddwn yn esbonio pam; os na allwn ateb yn syth, byddwn yn ceisio eich cysylltu gyda'r bobl a all helpu - mae adeiladu ymddiriedaeth ac ymgysylltu yn sylfaen allweddol.

Tegwch. Darparwn gyfleoedd teg, i helpu pobl a chymunedau i ffynnu. Os nad yw rhywbeth yn ymddangos yn deg, byddwn yn gwrandao ac yn esbonio pam. Byddwn bob amser yn ceisio trin pawb yn deg ac yn gyson. Ni allwn wneud pawb yn hapus bob amser, ond byddwn yn ymrwymo i wrando ac esbonio pam y gwnaethom weithredu fel y gwnaethom.

Hyblygrwydd. Byddwn yn parhau i newid a bod yn hyblyg i alluogi cyflwyno'r gwasanaethau mwyaf effeithlon ac effeithiol. Mae hyn yn golygu ymrwymiad gwirioneddol i weithio gyda phawb i groesawu ffyrdd newydd o weithio.

Gwaith Tîm. Byddwn yn gweithio gyda chi a'n partneriaid i gefnogi ac ysbrydoli pawb i gymryd rhan fel y gallwn gyflawni pethau gwych gyda'n gilydd. Nid ydym yn gweld ein hunain fel 'trefnwyr' neu ddatrysyr problemau, ond gwnawn y gorau o syniadau, asedau ac adnoddau sydd ar gael i wneud yn siŵr ein bod yn gwneud y pethau sy'n cael yr effaith mwyaf cadarnhaol ar ein pobl a lleoedd.

This page is intentionally left blank

Agenda Item 6

Audit Committee Action List 25th March 2021

Agenda Item:	Subject	Officer	Outcome
7	Audit Plan 2020/21	Rachel Freitag (Audit Wales)	Identify efficiencies available due to familiarity with the Welsh Church Fund work to audit accounts. Report back to the County Councillor B. Strong. brianstrong@monmouthshire.gov.uk

This page is intentionally left blank



**SUBJECT: AUDIT COMMITTEE
ANNUAL REPORT 2020/21**

**DIRECTORATE: Resources
MEETING: Audit Committee
DATE: July 2021
DIVISION/WARDS AFFECTED: All**

1. PURPOSE

To present the Chair of the Council's Audit Committee's Annual Report for 2020/2021.

2. RECOMMENDATION(S)

On behalf of the Audit Committee, I submit this annual report for 2020/2021 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 2020/21, the lay member was the Chair of the Audit Committee, as in previous years. The Committee's main responsibilities include:

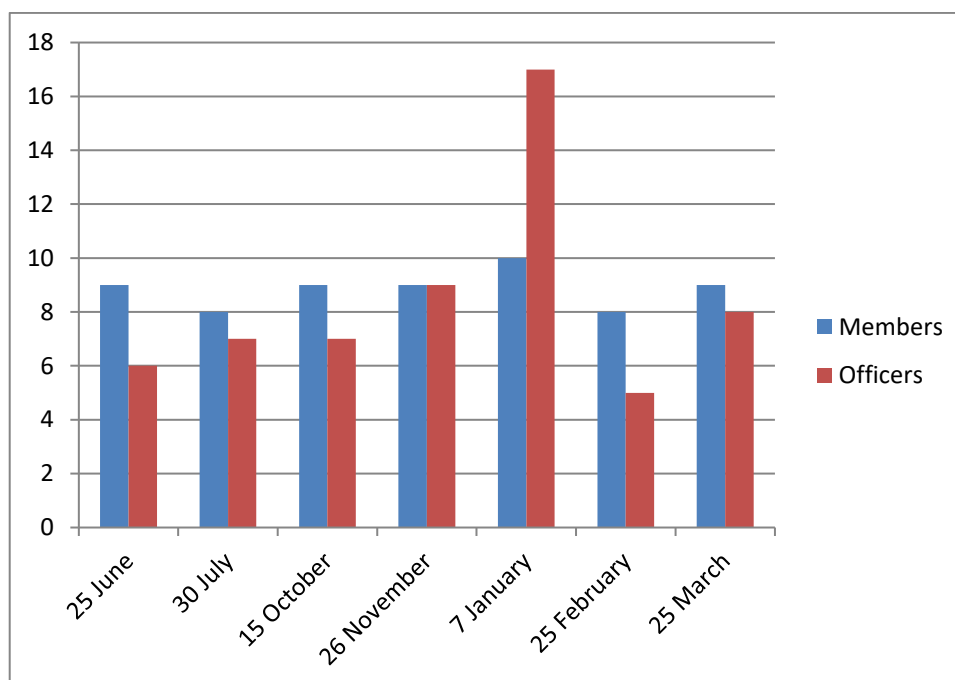
- Approving the internal audit strategy, plan & performance
- Review internal audit reports and seek assurances of change where required
- Consider the reports of external audit and inspection agencies
- Consider the effectiveness of the Authority's risk management arrangements
- Maintain an overview 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 in 2020/21 are set out in the Council's Constitution amended and agreed by the County Council at its meeting on 11th March 2021 which are in accordance with the Local Government (Wales) Measure (2011).

3.4 The Audit Committee is supported by Democratic Services with the, Chief Officer Resources, Head of Finance and the Chief Internal Auditor or, occasionally, representatives, in attendance at most meetings. External Audit (Audit Wales) are invited to all meetings. During 2020/21 the Council's Audit Committee formally met 7 times (all remotely), with all meetings being quorate. Audit Wales was represented at 6 meetings.

Audit Committee meetings 2020/21
25 th June 2020
30 th July 2020
15 th October 2020
26 th November 2020
7 th January 2021
25 th February 2021
25 th March 2021

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 November 2020, the Chair attended, remotely, a training seminar provided by South West Audit Partnership which included sessions on the roles and responsibilities of the Audit Committee. Also in November 2020, the Chair attended a networking event for Chairs of Audit Committees from across Wales. At both sessions, the Local Government and Elections (Wales) Act 2021 and its importance for Audit Committees featured strongly.
- 3.8** The Committee undertook a self-assessment of its performance during the year, with the Chief Internal Auditor taking a leading role.
- 3.9** The Committee continued to function as usual throughout the year, despite the special circumstances arising from the Covid emergency. Regular reports were received from the Chief Officer Resources on the

impact of the pandemic on the operations of MCC and the performance of investments.

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

3.10 Reports were received and considered from the Audit Wales. 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 2019/20, WAO 'ISA 260' Response to the Accounts
- Certificate of Compliance for the Audit of Monmouthshire County Council's 2020/21 Improvement Plan
- Certificate of Compliance for the audit of Monmouthshire County Council's assessment of performance for 2019/20
- Monmouthshire Annual Audit Summary 2020
- Audited Trust Fund Accounts (Welsh Church Fund/Monmouthshire Farm Educational Trust/Llanelly Hill)
- Recovery Planning – Assurance and Risk Assessment Feedback Letter
- Audit Plan – Audit Wales 2020-21

3.11 The Internal Audit annual report for 2019/20 and the annual plan for 2020/21 were presented to and endorsed by the Committee. In January the Committee were informed that most of the Internal Audit Team had been seconded to aid with Track, Trace and Protect and that, as a result, the work of Internal Audit was likely to be affected. A revised plan for 2020/21 was presented. Nevertheless, members continued to challenge 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.

3.12 Other reports presented for consideration included:

- Internal Audit Reports on Unfavourable Audit Opinions
- Update on Unfavourable Audit Opinions
- Executive summary - Use of Agency Workers
- Internal Audit Progress Report

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

3.13 Reports from Internal Audit and from other departments within the Authority and Audit Wales inform the Committee in respect to these terms of reference, for example the regular reports on Unfavourable Audit Opinions (see 3.12, above).

- 3.14** 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. In June a paper was presented on the Code of Corporate Governance, being the framework to establish the Annual Governance Statement.
- 3.15** During the year, the Policy and Performance Manager provided reports for the Committee's consideration. These were:
- Review of the Strategic Risks Register
 - Whole Authority Strategic Risk Assessment
- 3.16** A report on Information Breaches was presented by the Head of Digital Services.
- 3.17** The Chief Officer for Resources provided the Committee with a presentation on Anti-Bribery Risk Assessment.
- 3.18** The Customer Relations Manager introduced the Whole Authority Annual Complaints Report 2019/20 providing feedback from complaints, comments and compliments received by the Authority.
- 3.19** 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 2020/21 operational managers attended the Committee to report on what progress was being made concerning consecutive unsatisfactory Internal Audit reports on food procurement and Caldicot Castle.
- 3.20** The Audit Committee also receives regular updates 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. No reports were available during 2020/21 (See 3.11, above) but a report was scheduled for the first meeting of 2021/22.
- 3.21** In March 2021, the Committee received the Annual Performance Review of the Investment Committee.

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

3.22 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 June with the final audited accounts in October. In addition, the Committee received the annual accounts of Monmouthshire County Council Welsh Church Act Fund, the Monmouthshire Farm School Endowment Trust Fund and the Llanelly Hill Social Welfare Centre Trust Fund.

3.23 The Treasury Outturn Report 2019/20 was presented and noted by the Committee in July with a mid-year Treasury Report for 2020/21 presented in November.

3.24 A Treasury Policy and Strategy Report for 2020/2021 was presented to the Committee in February.

3.25 The Committee receives 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 2020/21.

8 AUTHOR AND CONTACT DETAILS

Philip White, Chair, on behalf of the Audit Committee

Certification of Grants and Returns 2019-20 – Monmouthshire County Council

Audit year: 2019-20

Date issued: May 2021

Document reference: 2413A2021-22

Purpose of this document

This document is a draft supplied in confidence solely for the purpose of verifying the accuracy and completeness of the information contained in it and to obtain views on the conclusions reached.

Handling prior to publication

This document and the copyright comprised therein is and remains the property of the Auditor General for Wales. It contains information which has been obtained by the Auditor General and Audit Wales under statutory functions solely to discharge statutory functions and has been prepared as the basis for an official document that may be issued or published in due course. It may also contain information the unauthorised disclosure of which may be an offence under section 54 of the Public Audit (Wales) Act 2004. Except as expressly permitted by law, neither the document nor any of its content may be reproduced, stored in a retrieval system and/or transmitted in any form or by any means, or disclosed to any person other than the original recipient without the prior written permission of Audit Wales. It must be safeguarded at all times to prevent publication or other improper use of its content. Unauthorised use or disclosure may result in legal proceedings. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

This document has been prepared as part of work performed in accordance with statutory functions.

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 and Audit Wales 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.

Contents

Summary of certification work outcomes	4
Fees	10

Summary of certification work outcomes

- 1 Under Paragraph 20 of Schedule 8 to the Government of Wales Act 2006 the Auditor General shall, if required by a local government or other grant-receiving body, make arrangements for certifying claims and returns (referred to as grant claims, hereafter).
- 2 We undertook our work with the aim of certifying individual claims and to answer the question:
‘Does Monmouthshire County Council (the Council) have adequate arrangements in place to ensure the production of co-ordinated, accurate, timely and properly documented grant claims?’
- 3 We have completed our certification work and conclude that the Council had generally sound arrangements in place for the production and submission of its claims. There is some scope for improvement, and we are continuing to work with the Council to make these improvements for 2020-21 claims.
- 4 The Council submitted 67% of its 2019-20 grant claims to us on time (2018-19: 67%). We can confirm that we have certified all of the claims, at a total audit cost of £54,020 (£56,357).
- 5 For 2019-20 we certified 5 grant claims, which is a significant reduction in the number of claims were certified in 2018-19 (12 claims). This is due to a number of Welsh Government grants no longer requiring Audit Wales certification. Of the 5 claims certified this year, 2 were qualified.

Introduction and background	<p>This report summarises the results of work on the certification of the Council's 2019-20 grant claims and returns</p> <ul style="list-style-type: none"> – As appointed auditors of the Council, we are asked on behalf of the Auditor General, to certify grant claims made by the Council. – For 2019-20, we certified 3 grants with a total value of £19,577,569 and 2 returns with a total value of £32,330,166. – At the start of our grant audit work for 2019-20, we met with the grant co-ordinator and key financial officers who have responsibility for grant claim preparation. The Council continues to use a comprehensive Good Practice Grant Checklist which is included on each grant claim file. This checklist highlights the key areas we review when performing our grant auditor certification work. – Although this checklist was used on most grant claim files, there is room for improvement in its completion as some errors were still found on the claims which should have been identified when undertaking the checks required in the checklist. – We have produced this report so that we can provide feedback collectively to those officers having the responsibility for grant management so that we can work together to identify further improvements which can be made to improve the processes.
Timely receipt of claims	<ul style="list-style-type: none"> – Out of 5 claims in total requiring certification this year, 3 were received within deadlines with two received late. Further detail is provided in the table on page 7 below.
Certification results	<p>For the 5 claims, we issued 2 unqualified certificates and 3 qualifications.</p> <p>The reasons for the three qualifications are summarised below:</p>

	<ul style="list-style-type: none"> – The Teachers' Pension return included a difference between the payroll records and the return that could not be reconciled; – The National Non-Domestic Rates return included £26,867.67 (2 cases) of empty premises relief where there was no evidence to support that a property was empty during that period; – The Housing Benefit Subsidy return included one item of underpaid subsidy (although this did not affect the total level of subsidy receivable by the Council).
Audit adjustments	<p>Adjustments were necessary to two of the Council's claims as a result of our work this year.</p> <ul style="list-style-type: none"> – These adjustments related to the Section 33 Pooled Budgets and Health Act S28a and 28b Money Transfers returns. None of these adjustments were significant and are detailed in paragraph 8.
Fees	Our overall fee for certification of 2019-20 grants and returns is £54,020.

- 6 Detailed on the following page is a summary of the key outcomes from our certification work on the Council's 2019-20 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate.
- 7 A qualification means that issues were identified concerning the Council's compliance with a scheme's requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant-paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

Key information for 2019-20

Overall, we certified 5 grants and returns:

- **2 were unqualified but required some amendment to the final claim**
- **3 required a qualification to our audit certificate**

Ref – Para 8	Grants and returns	Claim due	Claim received	Late	Qualified certificate	Adjustment (>£10,000)	Adjustment (<£10,000)	Unqualified certificate
1	National Non-Domestic Rates Return	29/05/20	02/06/20 ¹	Yes	Yes			
2	Teachers' Pension Return	31/05/20	29/09/20 ²	Yes	Yes			
3	Housing Benefit Subsidy	30/04/20	30/04/20	No	Yes			
4	Section 33 Pooled Budgets	08/05/20	30/04/20	No			£791	Yes
5	Health Act S28a and 28b Money transfers	30/09/20	29/09/20	No		£55,518		Yes
Total					2	£55,518	£791	3

¹ This minor delay had no impact on the delivery of our certification work.

² While the claim was submitted to Audit Wales on 29 September 2020, the return was submitted to Teachers' Pensions as required, prior to the 31 May 2020 deadline.

8 This table summarises the key issues behind each of the adjustments or qualifications identified in the table above.

Ref	Summary observations	Amendment
1	<p>National Non-Domestic Rates (qualification)</p> <ul style="list-style-type: none"> Out of a sample of 10 cases receiving Empty Premises Relief, in 2 cases (totalling £26,867.67) the Council could not provide evidence that a review of the premises had taken place when the relief was granted. Projecting this error over the total of £1,023,980 Empty Premises Relief awarded in 2019-20 gives a potential overstatement of relief awarded of £164,656. Our audit also identified a number of less significant matters, grouped into three categories: <ul style="list-style-type: none"> Presentational errors with no impact on claim value; Other errors with an impact on claim value, but individually and in total lower than the £10,000 Welsh Government threshold for reporting; and Other minor matters in completion of the claim. 	-
2	<p>Teachers' Pensions (qualification)</p> <ul style="list-style-type: none"> Our audit identified a difference of £1,587.88 in the total contributory salary per the Teachers' Pensions claim compared to the Council's payroll records. This difference means that both Employees' Contributions Tier 1 (7.4%) and Employer's Contributions Tier 1 (23.68%) differ by £117 and £376 respectively. 	-
3	<p>Housing Benefit Subsidy (qualification)</p> <ul style="list-style-type: none"> Our initial testing of 'Rent Allowances' identified one case where Housing Benefit had been underpaid by £206 due to incorrect treatment of claimant earnings. Under Department for Work 	-

	and Pensions (DWP) directions, we performed additional testing of a number of similar cases but did not identify further issues. No amendment to the Housing Benefit Subsidy claim is required as the single error did not affect the level of subsidy receivable by the Council.	
4	Section 33 Pooled Budgets <ul style="list-style-type: none"> Our audit identified one transaction for vehicle hire that was ineligible for inclusion in this claim. There were also a number of year-end accruals for energy costs included in the initial claim, which were lower than the actual invoices received after year-end. The net effect is a reduction in the overspend of the pooled budget of £791 (of which £451 would have been funded by the Council). 	-£791
5	Health Act S28a and 28b Money Transfers <ul style="list-style-type: none"> Expenditure on the Severn View EMI Unit did not include a 10% recharge (amounting to £55,518) for support costs. Therefore, the total expenditure of £553,670 is understated by this amount. However, there was no impact on the level of grant, as expenditure already exceeds the income allocation. 	+£55,518
	Total effect of amendments	+£54,727

- 9 A breakdown of our fees is detailed below. The total fee for 2019-20 is in line with the total for 2018-19, despite there being fewer claims to certify. This is primarily due to our work over the Housing Benefit Subsidy return, where the following issues were noted:
- While this return was unamended this year, additional testing was required given an error identified in our original testing sample (the DWP requires additional targeted testing in the case of any errors in an original sample). This error did not affect the level of

Housing Benefit subsidy receivable by the Council, and so the claim did not require amendment (although we needed to issue a qualification letter to DWP to outline our findings).

- With Housing Benefit managed by Torfaen CBC on the Council's behalf, as a result of the COVID-19 pandemic we needed to obtain remote working access to two Councils' systems which increased the complexity of our work this year. This (alongside other general delays we experienced through working remotely) led to us taking more time to complete our work this year.

10 In this paper we also provide an estimate of our fees for delivery of 2020-21 grant certification work.

Breakdown of fee by claim	2017-18	2018-19	2019-20	2020-21 (estimate)
Housing Benefit	£19,770	£16,185	£31,106	£20,000
21st Century Schools	£2,459	£2,251	N/A	-
Section 33 NHS (Wales) Act 2006 Pooled Budgets	£3,116	£1,781	£2,920	£3,000
Health Act S28a and 28b Money transfers	£3,848	£3,190	£3,065	£3,000
National Non-Domestic Rates Return	£4,154	£3,450	£5,208	£4,000
Sustainable Waste Management Grant	N/A	£1,759	N/A	-
Summary of Grants WG Schedule	£6,712	£4,027	N/A	-
Teachers' Pension Return	£3,634	£1,864	£3,540	£2,500
Free Concessionary Travel	£529	£2,644	N/A	-
Local Transport Grant	£2,990	£3,631	N/A	-
Bus Services Support Grant	£5,117	£3,062	N/A	-
Youth Travel Scheme	N/A	£1,927	N/A	-
CI Grant Planning, Supervision & Review	£9,612	£8,811	£8,181	£7,500
Total fee	£61,821	£54,579	£54,020	£40,000

Audit Wales

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

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



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

DIRECTORATE: Resources
MEETING: Governance & Audit Committee
DATE: 2nd July 2021
DIVISION/WARDS AFFECTED: All

1. PURPOSE

- 1.1 To consider the adequacy and appropriateness of the exemption process from the Authority's Contract Procedure Rules since the last report in July 2019. There has been a delay in reporting this periodic data due to the Covid-19 pandemic.
- 1.2 To inform the Governance and Audit Committee of the number of exemptions requested by operational managers and to identify any non compliance with the process or adverse trends.

2. RECOMMENDATION(S)

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

3. KEY ISSUES

- 3.1 To ensure compliance with the Council's Contract Procedure Rules in the way goods, works and services are procured on behalf of the Authority.

- 3.2 Reassurance that the exemption process from Contract Procedure Rules is operating as intended by managers procuring goods, works or services on behalf of the Authority.
- 3.3 Some operational managers procuring goods, works and services on behalf of the Authority may not be as familiar with Contract Procedure Rules and the exemption process as they should be.

4. REASONS

- 4.1 Council approved the revised Contract Procedure Rules for Monmouthshire County Council in April 2009. This was as a result of a major update of the Council's former Contract Standing Orders which incorporated compliance with the Procurement Strategy. The Contract Procedure Rules were further revised and updated in 2020/21 and approved by Council as part of the update of its Constitution March 2021.
- 4.2 The previous report was presented to Audit Committee in July 2019. This report covers the period June 2019 to October 2020. Previously, managers have been invited to Audit Committee to explain to Members their reasons for seeking an exemption rather than complying with the Council's Contract Procedure Rules.
- 4.3 The Chief Internal Auditor is not recommending that any managers be called in to the Governance and Audit Committee as a result of this report.

5. EXEMPTIONS - Background

- 5.1 Although the Contract Procedure Rules were written to ensure a consistent and fair approach to how officers procure works, goods and services on behalf of the Council, there will be occasions where full compliance may not be appropriate. Provided there is sufficient justification and appropriate approval for not following these rules then that is permissible within the agreed policy.
- 5.2 Management need to ensure that the use of exemptions is proper and they are not being used for convenience or to avoid following CPRs. Exemptions from CPRs are therefore administered by Internal Audit, although approvals are given by Heads of Service, Chief Officers and or Cabinet Members.
- 5.3 Since April 2009, 312 exemptions have been requested (up to October 2020) as shown at Appendix 1.
- 5.4 The majority of exemption forms have been returned to Internal Audit although there are some which are still outstanding. The exemptions requested may not have been needed by the service managers but

they have not notified Internal Audit; in a minority of cases it is not yet possible to determine whether or not the correct authorisation procedures have been followed.

- 5.5 An exercise will need to be undertaken to capture the missing information on previously non returned exemption forms between November 2018 and October 2020. This will be reported to Audit Committee in the next report.
- 5.6 This process will only capture the exemptions which have been requested via and returned to Internal Audit.
- 5.7 The process is as follows:
 - Obtain a sequentially numbered exemption form from Internal Audit
 - Record the reason for requesting the exemption on the form
 - Obtain the appropriate level of approval
 - Check that Procurement Team are happy with the justification of the exemption
 - Return the fully signed off and approved form to Internal Audit.

6.

EXEMPTIONS – June 2019 to October 2019 [281 - 291] [Appendix 2]

- 6.1 Of the 11 requested exemptions, 8 were returned to Internal Audit as required and were correctly authorised; 3 were not returned to Internal Audit (283, 287, 290); these are highlighted in the table.

EXEMPTIONS – November 2019 to May 2020 [292 - 300] [Appendix 3]

- 6.2 Of the 9 requested exemptions, 7 were returned to Internal Audit as required and were correctly authorised; 2 were not returned to Internal Audit (296, 297);

EXEMPTIONS – June 2020 to October 2020 [301 - 312] [Appendix 4]

- 6.3 Of the 12 requested exemptions, 7 were returned to Internal Audit as required and were correctly authorised; 1 was returned to Internal Audit but had not been correctly authorised (304); 4 were not returned to Internal Audit (306, 310, 311, 312);

7 GENERAL

- 7.1 All officers who request an exemption will be reminded to return the form to Internal Audit by the Chief Internal Auditor.

- 7.2 Some managers are still sending Exemption Forms to Internal Audit which have not been formally issued; some add their own number to the form, some use a previously issued sequentially numbered form, which indicates a weakness in the control environment as the correct process is not being followed.
- 7.3 Although Heads of Service and operational managers were made aware of the revised Contract Procedure Rules at the time, the main concern is that current operational managers may be non compliant because they are not seeking the appropriate exemptions.
- 7.4 The exemption form was reviewed and updated in August 2019. This will be reviewed further in 2021/22.
- 7.5 A list of all requests for CPR exemptions which have not been returned to Internal Audit will be sent to Heads of Service to chase up a return to the Chief Internal Auditor who will then verify that they have been correctly authorised. The Chief Internal Auditor will then also remind all Heads of Service of the correct procedure to follow when seeking an exemption from the Council's procurement rules.

8. RESOURCE IMPLICATIONS

None.

9. CONSULTEES

Chief Officer Resources

Results of Consultation:

10. BACKGROUND PAPERS

Report to Council 2nd April 2009 – Contract Procedure Rules (CPR)
Internal Audit CPR Exemption Logs

11. AUTHOR AND CONTACT DETAILS

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

AUDIT COMMITTEE MAY 2021

CONTRACT PROCEDURE RULES - EXEMPTIONS

APPENDIX 1

Contract Procedure Rules Exemption Forms Log

		Period	Exemption Ref	No' of exemption requests	Cumulative
Report 1	January 2011	April 2009 to 31 Aug 2010	1 – 41	41	41
Report 2	November 2012	September 2010 to August 2011	42 – 60	19	60
		September 2011 to August 2012	61 – 92	32	92
Report 3	May 2013	September 2012 to March 2013	93 – 102	10	102
Report 4	December 2013	April 2013 to October 2013	103 - 117	16	117
Report 5	July 2014	November 2103 to May 2014	118 - 132	15	132
Report 6	December 2014	June 2014 to October 2014	133 - 141	9	141
Report 7	July 2015	November 2014 to May 2015	142 - 174	33	174
Report 8	December 2015	June 2015 to October 2015	174 - 179	5	179
Report 9	June 2016	November 2015 to May 2016	180 - 194	15	194
Report 10	December 2016	June 2016 to October 2016	195 - 207	13	207
Report 11	November 2017	November 2016 to May 2017	208 - 222	15	222
Report 12	November 2018	June 2017 to October 2017	223 - 246	24	246
		November 2017 to May 2018	247 - 259	15	259
Report 13	July 2019	June 2018 to October 2018	260 - 272	13	272
		November 2018 to May 2019	273 - 280	8	280
Report 14	May 2021	June 2019 to October 2019	281 - 291	11	291
		November 2019 to May 2020	292 - 300	9	300
		June 2020 to October 2020	301 - 312	12	312

APPENDIX 2

June 2019 to October 2019 [Exemptions 281 - 291]

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
281	Frances O'Brien	To take forward the Monmouthshire MedTech Centre proposal that the Chief Executive started looking at back in August last year (2018). Paul presented a report to the Investment Committee in November 2018 which was approved and we have since been working through the terms of the MoU and the lease. To partner with Capital Kinetics to develop a specific concept and brand 'Monmouthshire Medtech'. See form and Cabinet report of 31/7/19 for full details	50,000	Enterprise	13/06/19 (AW)	Y	27/09/19	Specialist provider
282	Ross Price Project Engineer (Highways & Flood Management)	Phase 2 of design work relating to flood alleviation measures in Llanfair Kilgeddin	46,568	Enterprise	26/06/19 (DW)	Y	01/07/19	Specialist supplier - extension to cover phase II of scheme and supplier WSP would have unique knowledge and experience of the scheme from their work on phase I.

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
283	Mike Moran	Summer Playscheme 2019	76,276	Enterprise	4/7/19 (DW)			
284	Hywel Price Assistant Engineer	We are working on a project in Severn Tunnel Junction Under the new Rail Franchise with TFW, they have a consulting arm and we would like to work with them on this project. The value of the works will be up to £75k for the consultants only. We have been granted monies from the Welsh government for the scheme. Supplier is Amey Consulting.	23,000		08/07/19 (MS)	Y	10/07/19	I am looking to seek exemption under section 3.4. Amey Consulting will be entering into a contract with MCC using the NPS frame work of which they have entered a competitive price compatible with other national consultants. They have supplied a cost breakdown and project schedule along with letter of intent.

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
285	Rachel Lewis	To support the evidence base for the Replacement Local Development Plan we are required to update the existing Landscape Sensitivity and Capacity Study which was prepared in 2008/2009 to inform the current adopted LDP. The Landscape Sensitivity and Capacity Study is key to establishing an evidence base to inform/support the strategy, policies and site allocations of the replacement LDP covering the period 2018-2033. We do not have the expertise in house to undertake this work and therefore need to appoint consultants. The reason we require an exemption is that we would like to appoint Simon White Associates specifically to undertake the work due to their previous involvement in the Adopted Local Development Plan (LDP) and work undertaken to date. It would therefore be beneficial to build on this work rather than start afresh.	36,363	ENT	17/07/19 (RS)	Y	24/07/19	Specialist Supplier

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
****NEW FORM IN USE FROM HERE** ** 286	Natalie Edwards	To extend our two year contract with our website provider, NVG. (See original approved form attached.) The reasons for the original exemption haven't changed – we are acting as a data steward for the Wales Tourism Product Database (WTPD) and we receive a discount on our website costs for doing so. Visit Wales has just reappointed NVG for another three years to manage and host the WTPD and NVG's is the only platform that enables us to manage WTPD data entries.	24,500	ENT	13/08/19 (SG)	Yes - Ian Saunders - Head of Service	06/11/19	Extend existing contract
287	Lucinda James	<i>We are trying to procure a piece of work that is very specialised. We have invited Cardiff University to prepare a proposal for an academic study on the Internet Of Things (IOT) to help with a project about Independent living (please see attached proposal) as they have the skills and knowledge on the subject area.</i>	13,598	ENT	22/08/19 (RS)		Informed of cancellation 13/05/2021	CANCELLED - Exemption not required

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
288	Alison Grimson	The name of the supplier is Wye Knot Tourism and the amount of the contract will be £14,000. Wye Knot Tourism is a specialist provider to one of our Rural Development projects and would be the best fit for an evaluation to be carried out as they already have extensive knowledge of the project and have an existing contract with Mon CC with regards to the project already making them best value for money. I understand that I will need to get the cert. signed by the head of service which is fine.	14,300	Ent	MS 03/09/19	Y -HoS	03/10/19	specialist
289	William Miles	Planning Department - Annual Footfall Survey	6,000	ENT	17/9/19 (DW)	Y - See email from Scott James adding his approval for this exemption (originally omitted on the form)	25/9/19 (form from Planning) 7/10/19 (approval from SJ);	Specialist provider familiar with requirements/way of working

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
290	Cath Saunders	21C Schools (details tbc)	?	CYP	11/10/19 (DW)		Informed of cancellation 14/05/2021	CANCELLED - Exemption not required
291	Matthew Gatehouse	Replacement self service machines for MCC Libraries	10,000	CEX	31/10/19 (DW)	Y - HoS	18/12/19	Specialist provider of proprietary software for libraries' self service machines.

APPENDIX 3

November 2019 to May 2020 [Exemptions 292 - 300]

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
292	Rob Davies	The exemption is for a single supplier of materials as we are extending an existing scheme. The materials we require to purchase are York Stone "Scoutmoor" slabs and Granite kerbs both provided by Marshalls and have been selected by local Councillors. Marshalls have confirmed they can provide the materials in the restricted time scale. Please note that there was a previous exemption by MCC for the initial phase of the project. Exemption form no. 264.	170,000	ENT	17/12/19 (DW)	Y - Chief Officer, s151 & Cabinet Member	20/01/20	Specialist supplier of bespoke material, who can guarantee quality and quantity of items ordered and supply in time for meeting WG grant timetable restrictions.
293	Jill Edge	Additional modelling work required for the growth options for the Replacement Local Development Plan	5,625	ENT	20/12/19 (RS)	Y - Returned with countersignature from Mark Hand as originally had been signed off by Head of Planning (Craig O'Connor) instead.	27/02/20	Specialist provider - no in-house expertise available and chosen supplier has previous involvement in modelling and analysis required.

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
294	Jill Edge	Additional work required for the Employment Land Review	5,713	ENT	20/12/19 (RS)	Y - Returned with countersignature from Mark Hand as originally had been signed off by Head of Planning (Craig O'Connor) instead.	27/02/20	Specialist provider - work will be an addendum to existing work being completed by BE Group for LDP. No in house expertise and BE Group have existing knowledge of the ELR and the locality.
295	Jill Edge	Additional work that will be required for appropriate assessment for the Habitats Regulations Assessment of the Plan. At the present time we are not sure of the cost of this final one as the consultants were appointed on a joint basis with Blaenau Gwent and Torfaen and they will also be doing additional work for them so hopefully we may be able to save costs by undertaking the additional work jointly.	6,628	ENT	20/12/19 (RS)	Y - Returned with countersignature from Mark Hand as originally had been signed off by Head of Planning (Craig O'Connor) instead.	27/02/20	Specialist provider - Consultants are already undertaking a Habitats Regulation Assessment for the RDLP. Their work has identified a need for a separate visitor survey, to extend this work. No in house expertise and prior involvement of Ascom in the HRA makes them best placed to complete the additional work.

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
296	Nikki Wellington	Engagement of Compass for Life to provide motivational training/development for secondary school pupils.	?	CYP	7/1/20 (DW)			
297	Nikki Wellington	Commissioning Esphera Solutions to provide software for MCC to run a sickness absence mutual assurance scheme for schools opting in. Schools will be able to choose the level of cover they require and the software will determine the premium. Research shows that as long as enough schools opt in to the scheme it should be significantly cheaper over the medium /long term than each school insuring for sickness individually.	tbc	CYP	03/02/20 (DW)			Specialist provider - no other supplier offers this type of product.
298	Richard Cook - Strategic Transport	Delivery of de minimis bus service contracts which we are not required to tender, but require exemption forms (Phil Anslow Coaches: Service 31 - Brynawr - Llanelly Hill - Blaenavon service)	14,000	ENT	18/03/20 (NT)	Y - Procurement sign-off is shown by separate email received from Sue Day (copy in signed exemption form folder)	23/03/20	3.4 Specialist provider

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
299	Richard Cook - Strategic Transport	Delivery of de minimis bus service contracts which we are not required to tender, but require exemption forms (Stagecoach - Service X4: Cardiff - Brynmawr - Abergavenny)	13,725	ENT	18/03/20 (NT)	Y - Procurement sign-off is shown by separate email received from Sue Day (copy in signed exemption form folder)	23/03/20	3.4 Specialist provider
300	Jill Edge	Additional work arising out of the recent publication of the Welsh Government Population projections. Whilst the cost to Monmouthshire is below £5,000, as a joint commission with Torfaen and Blaenau Gwent, the initial cost to Monmouthshire as the main procurer will be above this figure.	14,400	ENT	13/05/20 (RS)	Y - HoS	16/9/20 (DW)	Specialist provider - developing previous work completed by same supplier.

APPENDIX 4

June 2020 to October 2020 [Exemptions 301 - 312]

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
301	Jill Edge	To pay for a local viability assessment to inform the Replacement Local Development Plan. We are required to identify policy targets in the Plan in relation to Affordable Housing and other s.106 obligations. Andrew Burrows who will be undertaking the work is also undertaking work at a regional level for other LPAs.	21,000	ENT	03/06/20 (RS)	Y - Initial form did not contain signatures of Procurement or Head of Service and was therefore returned to Planning. Subsequently separate emails were received from Scott James and Mark Hand to evidence their approval of the exemption.	02/07/20 (DW)	Specialist provider
302	Nikki Wellington	Purchase of child-friendly signage for MCC schools returning after Covid-19 lockdown	60,442	CYP	8/6/20 (DW)	Y - accepted electronic signatures during Covid-19 lockdown	15/06/20 (DW)	3 specialist providers able to respond to provide goods urgently to allow schools to re-open after pandemic closure

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
303	Susan Hughes (Active Travel Officer)	A previous expression of interest was undertaken with regards to an Active Travel Audit (auditing cycling and walking routes across the authority). Three quotes were obtained. Grant funding as now come through and we would like to appoint once contractor 'Sustran' due to the added value and innovation shown in the approach. Although these were not the cheapest. Ive just heard that the bid (based on Sustrans approach) was accepted and was awarded the money £50k. Sustrans bid is unique and it breaks new grounds with a business arrangement with the University into looking at new ways of examining distance travelled, assessment of walking and cycling routes and the data we would get back is rich and can be used in future bidding work. This was all included in the bid to WG	50,000	ENT	24/06/20 (MS)	Y - accepted electronic signatures during Covid-19 lockdown	26/06/20 (DW)	Specialist provider - no other supplier has same approach and links to university research

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
304	Roger Hoggins (Special Projects)	Use of consultant for Project Manager role	22,000	ENT	28/7/20 (DW)	N - Procurement sign-off to follow (Scott on leave)	21/08/20 (DW)	Specialist provider - work has to be done under time pressure due to grant funding deadlines and contractor has prior involvement/knowledge of the scheme.
305	Christian Schmidt	Use of Transport for Wales' framework contractor for improvement works to Severn Tunnel Railway Station	71,000	ENT	06/08/20 (DW)	Y - Chief Officer		Specialist provider - Amey have been completing other works on site for Transport for Wales. MCC now have responsibility for commissioning further works funded by CCR and wish to use the same contractor because of previous work and experience of working in rail environment. Using anyone else would cause unacceptable delays in completing a project of regional importance/impact.
306	Roger Hoggins	Sustainable Urban drainage scheme	?	ENT	21/8/20 (DW)			Timeliness - late notification of grant monies.

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
307	Jill Edge	Additional modelling/projection work required to inform the development of the Replacement Local Development Plan	7,833	ENT	11/09/20 (RS)	Y- HoS	16/9/20 (DW)	Specialist provider - developing previous work completed by same supplier.
308	Steve Baldwin	Blockstone revetment works at Llanthony.	74,000	ENT	15/9/20 (DW)	Y - Chief Officer	6/10/20 (DW - email from Frances O'Brian to confirm her authorisation)	Emergency works - road deteriorating rapidly
309	William Miles	Planning Dept - 2020 footfall survey. As part of the annual retail survey, a footfall survey is conducted in November of every year. We are in the process of organising this year's survey and have received a quote from 'Beaufort Research', the consultancy that conducts the survey on behalf of Monmouthshire.	6,000	ENT	23/09/20 (RS)	Y -HoS	30/9/20 (DW - final with Procurement comments/ consent added)	Specialist provider - familiar with work required and reporting output needed (NB Planning have agreed to tender this annual work for 2021 onwards)

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
310	Gillian Bray	In PDG work, we picked up a spend which had not been tendered for. Thrive training are a specialist provider which has been used by the school for circa 4 years. BW shows a spend of around £16k. No other possible provider so we have asked for a CPR exemption form to be completed (Dewstow Primary)	16,000 so far	SCH	24/09/20 (SG)			
311	Roger Hoggins	Church Road Active travel grant scheme	?	ENT	29/9/20 (DW)		Informed of cancellation 10/06/2021	CANCELLED - Exemption not required
312	Sean Hobbs	Damp Remediation works at J Block, County Hall. Work is proposed to be carried out via the same contractor (Davlan Construction) that carried out the original Block J refurbishment project that was completed in October 2019. We wish to procure the works via this Contractor in order to maintain contractual warranties/guarantees and also because this Contractor has in depth knowledge of the buildings construction details etc.	80,000	Resources	30/10/20 (DW)		Informed of cancellation 10/06/2021	CANCELLED - Exemption not required The work never went ahead due to the cost and complexity of the proposed works; Currently working on a revised project which will be tendered again in the near future.

This page is intentionally left blank

**SUBJECT: MONMOUTHSHIRE CC
ANNUAL GOVERNANCE STATEMENT, 2020/21**

DIRECTORATE: Resources

MEETING: Governance and Audit Committee

DATE: 2nd July 2021

DIVISION/WARDS AFFECTED: All

1. PURPOSE

To receive a **draft** version of the Council's Annual Governance Statement (AGS) prior to inclusion into the Statement of Accounts 2020/21.

2. RECOMMENDATION(S)

That the Governance and Audit Committee contribute to the appropriateness and content of the draft AGS 2020/21 and subsequently endorse it.

3. KEY ISSUES

- 3.1 Corporate Governance is about doing the right thing at the right time for the right people in an open and transparent way. The AGS sets out how Monmouthshire demonstrates it has appropriate governance arrangements in place and how they are continually reviewed to strengthen them moving forward.
- 3.2 This Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (C.I.P.F.A.) and the Society of Local Authority Chief Executives and Senior Managers (S.O.L.A.C.E.), the 'Delivering Good Governance in Local Government Framework 2016' and Delivering Good Governance in Local Government Guidance Notes for Welsh Authorities 2016'. It embraces the elements of internal financial control required by the 'Code of Practice on Local Authority Accounting in the United Kingdom'.
- 3.3 Monmouthshire County Council (the Council) is responsible for ensuring that its business is conducted 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.
- 3.4 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.
- 3.5 The Code of Corporate Governance, which is consistent with the principles of the C.I.P.F.A./S.O.L.A.C.E. Framework 'Delivering Good Governance in Local Government', was approved by Council in July 2011; the Code was revised and updated in May 2014 and more recently in 2020. A copy of the Code is available from the Chief Internal Auditor. This Annual Governance Statement explains how the Council has complied with the Code, the

4 The Purpose of the Governance Framework

- 4.1 The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 4.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 4.3 The governance framework has been in place at the Council for the year ended 31 March 2021 and up to the date of approval of the statement of accounts.
- 4.4 The Statement itself [Appendix 1] demonstrates that Monmouthshire has appropriate governance arrangements in place to meet the challenges of the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements. We have demonstrated that in the majority of areas we have effective governance arrangements in place which are continually improving, but also recognise that there is always further work to do.
- 4.5 Despite the pandemic Monmouthshire CC has managed to maintain the majority of its governance arrangements this year and has demonstrated it has sound and effective arrangements in place in the services it delivers and the crisis it had to deal with. The majority of improvements noted in the 2019/20 Action Plan have been addressed during the year such that there is no need for formal Action Plan for 2020/21. The Code of Corporate Governance was presented to the Council's Audit Committee during the year and will be presented to Cabinet for formal approval during 2021/22.

5 The Governance Framework

- 5.1 The Council's AGS has been developed in line with the following principles:

Overarching requirements for acting in the public interest:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement

In addition achieving good governance in the Council requires effective arrangements for:

- C. Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes

- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

6 REASONS

- 6.1 In accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 an annual governance statement must be prepared and included within the Council's year end financial statements.

7 RESOURCE IMPLICATIONS

None.

8 CONSULTEES

Chief Officer Resources
Chief Officer People and Governance
SLT
Head of Policy & Governance (Performance)
Head of Digital & Information Governance

9 BACKGROUND PAPERS

MCC Code of Corporate Governance
CIPFA Delivering Good Governance

10 AUTHOR AND CONTACT DETAILS

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

Monmouthshire CC

Annual Governance Statement 2020/21

Draft 0.4

- Policy comments – RJ
- MP comments – People and Governance
- SH – Digital / information security
- SLT – 15-6-21

June 2021

Executive Summary

The Statement itself demonstrates that Monmouthshire has appropriate governance arrangements in place to meet the challenges of the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements. We have demonstrated that in the majority of areas we have effective governance arrangements in place which are continually improving.

Audit Wales's review of Good Governance concluded that the Council has a clear strategic approach for significant changes, although, better information would help Members when deciding the future shape of the Council.

Progress against the 2019/20 action plan is shown at Appendix 1.

- 1 This Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (C.I.P.F.A.) and the Society of Local Authority Chief Executives and Senior Managers (S.O.L.A.C.E.), the 'Delivering Good Governance in Local Government Framework 2016' and Delivering Good Governance in Local Government Guidance Notes for Welsh Authorities 2016'. It embraces the elements of internal financial control required by the 'Code of Practice on Local Authority Accounting in the United Kingdom'.
- 2 The Statement itself demonstrates that Monmouthshire has governance arrangements in place to meet the challenges of the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements. We have demonstrated that in most areas we have effective governance arrangements in place which are continually improving, but also recognise that there is further work to do. Progress against the 2019/20 action plan is shown at Appendix 1.

Scope of Responsibility

- 3 Monmouthshire County Council (the Council) (MCC) is responsible for ensuring that its business is conducted in accordance with the law and 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 (Wales) Measure 2011 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation.
- 4 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.
- 5 The Council's financial management arrangements conform to the governance requirements of the 'CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)'.
- 6 The **Code of Corporate Governance**, which is consistent with the principles of the C.I.P.F.A. / S.O.L.A.C.E. Framework 'Delivering Good Governance in Local Government', was initially approved by Council in July 2011; the Code was revised and updated again in June 2020. A copy of the Code is available from the Chief Internal Auditor. This statement explains how the Council has complied with the revised Framework and Guidance (2016) and also meets the requirements of the Accounts and Audit (Wales) Regulations 2014. The revised Code sets out what governance arrangements are in place within Monmouthshire CC for each of the Governance Principles.

The Purpose of the Governance Framework

- 7 The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its population outcomes, priorities and objectives and to consider whether those objectives have met the outcomes and led to the delivery of appropriate, cost effective services.
- 8 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, outcomes and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 9 The governance framework has been in place at the Council for the year ended 31 March 2021 and up to the date of approval of the statement of accounts.

The Governance Framework

10 The Council's Corporate Governance is in line with the following principles:

Overarching requirements for acting in the public interest:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement

In addition achieving good governance in the Council requires effective arrangements for:

- C. Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Wellbeing of Future Generations (Wales) Act 2015

11 Monmouthshire has to demonstrate it is compliant with the Well-being of Future Generations (WFG)(Wales) Act 2015 and this compliments the way it functions in line with the above principles of good governance; the core behaviours being:

- behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law; and
- ensuring openness and comprehensive stakeholder engagement

This needs to be applied to the five ways of working outlined in the 2015 Act. These five ways of working have to permeate all segments of delivering outcomes which, in turn, should ensure effective use of resources as the Council maximises its contribution to the economic, social, environmental and cultural well-being of Monmouthshire and Wales.

- Long Term
- Prevention
- Integration
- Collaboration
- Involvement

Monmouthshire Council priority goal (Well-being Objectives)	Contribution of Well-being Objectives to Well-being Goals						
	Prosperous Wales	Resilient Wales	Healthier Wales	More equal Wales	Wales of cohesive communities	vibrant culture and thriving Welsh Language	Globally responsible Wales
The best possible start in life	✓		✓	✓		✓	
Lifelong well-being	✓	✓	✓	✓	✓		
Maximise the Potential of the natural and built environment	✓	✓	✓		✓	✓	✓
Thriving and well-connected county	✓	✓	✓	✓	✓		✓
Future-focused Council	✓	✓			✓		✓

- 12** The key elements of the Council's governance arrangements are set out in its Corporate Plan 2017-2022, "A Monmouthshire that works for everyone" which was approved by Council in February 2018. A mid term refresh was presented to Council in March 2020.
- 13** As part of the requirements of the Well-being of Future Generations (Wales) Act 2015 the Public Service Board (PSB) is focused on improving social, economic, environmental and cultural wellbeing, in accordance with the sustainable development principle. Public Service Boards have a planning responsibility to prepare and publish an assessment of local well-being, produce a local well-being plan and report annually on its progress.
- 14** The Public Service Board has approved four well-being objectives that underpin a clear purpose of "building sustainable and resilient communities".
- 15** An update on the emerging actions being developed to deliver the objectives contained in Monmouthshire's Well-being Plan was signed off by the PSB in April 2018. The Public Services Board Committee was renamed the Public Services Committee in March 2020 in order to scrutinise wider public service provision and where powers allow, to provide greater accountability of services delivered in collaboration or by external partners.
- 16** The PSB presented its annual report 2019/20, in July 2020 to the Public Services Committee.

Coronavirus (Covid-19) Pandemic

- 17** The Coronavirus pandemic (WEF March 2020) had initially caused significant organisational disruption including new emergency responsibilities, increased staff absence and a requirement for staff to work from home (where possible) while continuing to ensure statutory services were maintained as expected. This statement assesses the governance in place during 2020/21 with the majority key operations being affected by Coronavirus throughout the year.
- 18** In accordance with the Council's Corporate Emergency Management Plan (revised March 2019) an Emergency Response Team (ERT) was established along with a regional multi-agency Strategic Co-ordination Group (SCG) to deal with this pandemic. These groups started to meet on a daily basis during March 2020 and continued throughout 2020/21.

- 19 Once enacted, the Corporate Emergency Management Plan allowed for an emergency management structure and delegation of emergency powers to the ERT Gold Duty Officer in consultation with the Leader of the Council.
- 20 The pandemic has impacted on the Council's delivery of services as some staff were diverted to front line duties to ensure that critical services were prioritised. There have also been new areas of activity as part of the national response to Coronavirus for example providing emergency assistance to businesses in Monmouthshire.
- 21 There has been funding and logistical consequences of delivering the local government response. To ensure appropriate governance and accountability, these costs have been identified by staff and appropriately coded on the Council's Main Accounting System and reclaimed from Welsh Government.
- 22 In line with public health measures to mitigate the spread of Coronavirus and to enable the Council to focus on the delivery of critical services, all public meetings were initially suspended. This included Council meetings, meetings of full Cabinet and all committee and sub-committee meetings, including Select, Planning and Licensing. The Council felt it was important to re-instate public meetings as soon as it was safe to do so. Using appropriate technology, key meetings were held remotely which could be viewed by the public through live streaming or through You Tube channels later. MCC was the first Council in Wales to get its meetings back up and running (Investment Committee 24 April 20). Cabinet held a virtual and remote meeting on the 6th May 2020, Council was run virtually on 4th June 2020, Audit Committee June 2020, with other public meetings following.
- 23 Urgent decisions initially were made in accordance with the officer and Members' schemes of delegation as detailed in the Council's Constitution and urgent decision-making procedures.
- 24 As the use of technology came into operation, minimal Council meetings were cancelled; they were held remotely through live video links.
- 25 As much as possible, the systems of internal control have continued to operate during the pandemic. The Council's implementation of Office365 (Teams) has allowed the majority of employees to successfully work from home without major disruption.
- 26 In the Chief Internal Auditor's opinion, adequate assurance was obtained over the course of 2020/21 to result in an overall 'Reasonable' audit opinion to be issued for the Council's activities, although this was based on the limited work undertaken by the team. Internal Audit coverage was adversely affected during 2020/21 as it was significantly involved with fraud prevention activities following the Welsh Government business grants support and then supported the Track Trace and Prevent (TTP) operation led by the Council's Public Health Team. Reliance on previous year's audit work has also been taken into consideration in arriving at this year's opinion in that there have been no significant systems or staff changes. 57% of the approved revised audit plan was completed against the target of 82%; 9 audit opinions were issued. Further detail regarding the Internal Audit team's performance is included within the Internal Audit Annual Report 2020/21.
- 27 In conclusion, during 2020/21 the Coronavirus pandemic did not lead to significant internal control or governance issues which impacted on the overall review of effectiveness. This will be monitored during 2021/22 and reviewed as part of future Annual Governance Statements in future.

Review of Effectiveness

- 28 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Strategic Leadership Team within the Authority which has responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

- 29** The governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework.
- 30** The processes that have been applied to maintain, review and improve the effectiveness of the governance framework include:

- i) The Monitoring Officer presented the revised and updated Council Constitution to the Democratic Services Committee in January 2021 and to full Council in March 2021;
- ii) Periodic reviews of the financial controls including the financial procedure rules by the Chief Finance Officer (Head of Finance); financial procedure rules were approved by Council in September 2014; Contract Procedure Rules were reviewed and updated during 2020/21 and approved by full Council within the Constitution in March 2021;
- iii) Whole Authority Strategic Risk Management Assessment and amendments to the Policy were approved by Cabinet in March 2020 & April 2021;
- iv) Formal risk management and ongoing review of the processes involved reported through Audit Committee July 2020 & March 2021
- v) The Audit Committee undertook a self evaluation exercise towards the end of 2019/20; summary reported to Audit Committee June 2020;
- vi) Annual Audit Committee report to Audit Committee July 2020 and Council September 2020;
- vii) the Internal Audit function, whose work takes account of identified risks through regular audits of the major systems, establishments and major projects in accordance with the annual internal audit plan, and which includes 'follow-up' work to ensure that agreed recommendations are implemented; Audit Committee
- viii) the work of the Council's Select and other Committees, including its Audit and Standards committees;
- ix) the opinions and recommendations of the Council's external auditors, following both financial audit work and per the Local Government Measure in regard to matters, including governance issues, which are considered for action and implementation and reported to Council, Cabinet and Audit Committee, as appropriate;
- x) The opinions and recommendations of other inspection, regulation and review agencies which are reported to Council, Cabinet and Audit Committee as appropriate. Audit Committee receives a regular report on the progress made with recommendations and proposals issued by Audit Wales
- xi) regular monitoring of performance against the Corporate Plan and service plans and of key targets, and reporting of this to senior management and members;
- xii) Corporate Plan update 2019/20 – Council October 2020;
- xiii) Through the coronavirus pandemic establishing a series of interim strategies to provide clarity in direction and ensure accountability – 'Plan on a Page' to Cabinet May 2020, July 2020 & December 2020
- xiv) Whole Authority Safeguarding Position Statement during Covid – 19 – Cabinet May 2020; Annual Safeguarding Evaluation Report and Activity Plan – Council January 2021;
- xv) Estyn's report into Local Government Education Services in Monmouthshire County Council – Cabinet May 2020
- xvi) Annual appraisal of the effectiveness of the authority's performance management arrangements reported annually to Audit Committee.
- xvii) Chief Officer for Children and Young People's Annual Report presented to Council May 2019; Chief Officer for Social Care, Safeguarding & Health's Annual Report presented to Council June 2020; Corporate Parenting Annual Report to Council October 2019; Annual Statutory Report on Performance 2019/20 from the Director of Social Care, Safeguarding and Health – Council December 2020;
- xviii) Updated policies and strategies reported through Cabinet and Council

- 31** The following paragraphs review the effectiveness of the governance arrangements in Monmouthshire under the 7 principles.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- 32** The Code of Conduct for Members and a protocol on Member / Officer relations are set out in the Constitution, updated March 2021. The Council also has a local protocol for the self-regulation of member conduct.
- 33** The Standards Committee, which includes a majority of independent representatives, advises on and monitors the Members' Code of Conduct, the Protocol for Member/Officer Relations, and any other Codes relating to the conduct of Members. Due to Covid -19 restrictions, The Standards Committee met once during 2020/21.
- 34** Public Service Ombudsman Wales Annual Report (2019/20) was presented to Cabinet in November 2020.

Conduct Complaints about MCC Members received by the Public Services Ombudsman:

	2017-18	2018/19	2019/20
Not upheld	3	20	2
Referred to Standards Committee	0	0	0
Referred to Adjudication Panel	1	0	0
TOTAL COMPLAINTS CLOSED	4	20	2

- 35** Agreed arrangements enable the Council to comply with statutory requirements in respect of child protection and the protection of vulnerable adults. Recruitment procedures help ensure that Council employees and Members working with children or vulnerable adults are checked for their suitability to do so through independent DBS checks.
- 36** In accordance with its statutory responsibilities, the Council has in place a Health and Safety Policy and related procedures.
- 37** There were no successful "call-in" challenges to decisions on procedural grounds; 3 judicial reviews were commenced or dealt with at the pre-action stage in the period.
- 38** Policy and decision-making is facilitated through (i) Council and Cabinet; the meetings of which are open to the public and live streamed online except where exempt or confidential matters are being discussed, and (ii) a scheme of delegation to committees and officers as set out in the Constitution: Five select committees (including the statutory Public Services Select Committee) and a separate Audit Committee review, scrutinise and hold to account the performance of the Cabinet, decision-making committees and officers. A Scrutiny "Call-In" process for decisions which have been made but not yet implemented is incorporated in the Constitution in order to consider their appropriateness.
- 39** A Scrutiny and Executive Protocol is in place which is aligned to the updated constitution of March 2021 and provides parameters for effective executive and scrutiny relationships.
- 40** The Constitution is updated periodically by the Monitoring Officer; the latest update approved by Council was in March 2021. It can be found on the Council's website.

- 41 To ensure agreed procedures and all applicable statutes are complied with, the Monitoring Officer attends full Council meetings, Cabinet and SLT. To ensure sound financial management is a key factor in decisions, the Chief Officer Resources (Interim Head of Finance) attends SLT, Cabinet and Council meetings.
- 42 The ethical governance framework includes:
- codes of conduct for officers and Members
 - a protocol governing Member/Officer relations
 - a whistle-blowing policy widely communicated within the Council
 - registers of personal and business interests for Members
 - declarations of interests for Chief Officers
 - an agreed policy and associated corporate procedures for ensuring that complaints about services can be properly made and investigated, and for ensuring that any lessons can be applied
 - equalities awareness training.
- 43 In accordance with the Local Government and Housing Act, 1989, the Monitoring Officer ensures compliance with established policies, procedures, laws and regulations. After appropriate consultation, this officer will report to the full Council in respect of any proposals, decisions or omissions which could be unlawful or which have been subject of an Ombudsman Investigation resulting in a finding of maladministration
- 44 All exemptions of the Contract Procedure Rules are reported through Audit Committee periodically. The Internal Audit team continues to deliver awareness raising sessions on the importance of compliance with these Contract Procedure Rules and Financial Procedure Rules.
- 45 The Audit Committee has the opportunity to call in senior managers during the year and challenge them on why a procurement process went outside the Council's normal tendering processes. Following 2 consecutive **Limited** Assurance audit opinions, the Head of Strategic Projects was called into Audit Committee (March 2020) to justify the lack of improvement in internal controls re Fuel Cards. The Chief Officer Resources reported on progress regarding Anti Bribery, Fraud and Corruption (October 2020). An update on the use of Agency Workers audit was presented to Audit Committee (November 2020). Following previous **Limited** Assurance audit opinions, Heads of Service for Food Procurement and Caldicot Castle provided a progress report to Audit Committee (January 2021).
- 46 As a result of Covid-19 the Internal Audit Team was repurposed during most of the year to undertake extensive counter fraud activities on Welsh Government business grants and support TTP; a report was taken to Audit Committee explaining the situation, January 2021. 9 Internal Audit opinions were issued in 2020/21; **no** audit jobs resulted in **Limited** assurance.
- 47 The overall opinion on the adequacy of the internal control environment for 2020/21 was **REASONABLE**. Management agreed to implement the recommendations made in audit reports in order to address the weaknesses identified. The Internal Audit opinions issued in 2020/21 were as follows:

	2018-19	2019-20	2020-21
Substantial Assurance (Very Good)	2	2	2
Considerable Assurance (Good)	11	11	6
Reasonable Assurance	13	7	1
Limited Assurance (Unsatisfactory)	6	9	0
Total	32	29	9

- 48** Reasons why the outcome of the audit reviews which were deemed to provide Limited assurance have been, or will be, presented in a separate report to Audit Committee; assurances have been sought from respective operational managers that action will be taken to make the necessary improvements in control.
- 49** The Internal Audit team did not have a full complement of staff for the full year for the reasons explained above. 57% of the 2020/21 revised audit plan was achieved, which was lower than the previous year (77%). The Chief Internal Auditor's overall audit opinion is based on the number of audits undertaken and their individual opinions; he was able to give an overall opinion on the adequacy of the control environment but this was based on a very limited number of opinions issued. The 2020/21 audit opinion was supported by the knowledge that there were appropriate governance, risk management and internal control assurances in place in the previous year, 2019/20, with no significant changes. The Assistant Head of Finance left MCC in January 2020 but the post was covered by the Central Accountancy Finance Manager and Chief Officer Resources.
- 50** The Internal Audit team continued to ensure its compliance with the Public Sector Internal Audit Standards (PSIAS). This was validated through a peer review process at the end of 2017/18; the outcome of which was that the team are generally compliant.
- 51** An Improvement Framework is in place to ensure the economic, effective and efficient use of resources and for securing continuous improvement. This is supported by a range of mechanisms including collaborative working initiatives and reviews undertaken both internally and by the external auditors and inspectors. This framework works in conjunction with the Local Government Wales Measure 2009 & 2011. Performance and Improvement Objectives reported to Council in October 2020 through the Corporate Plan Annual Update 2019/20.
- 52** The strategies which support this Framework include the Asset Management Plan, People Strategy, Local Development Plan, Financial Plan, Digital Strategy, Economy & Enterprise Strategy which are delivered through service business plans and employee aims & objectives, evaluated and risk assessed.
- 53** Chief Officers and Heads of Service are accountable for ensuring that the Council Priorities are delivered and performance against key targets is regularly monitored via the performance management framework and is regularly reported to members via Select Committees.

Principle B: Ensuring openness and comprehensive stakeholder engagement

- 54** The agendas are published in advance of all meetings on the Council's website; corresponding minutes are published post meeting.
- 55** The scrutiny /select reports on recommendations/outcomes from scrutiny activity are presented to Cabinet quarterly. The scrutiny function has a 'Scrutiny Service Business Plan'. The plan is built into the Council's improvement framework. At Monmouthshire, scrutiny is undertaken by 5 select committees.
- Children and Young People's Select Committee
 - Adults Select Committee
 - Economy and Development Select Committee
 - Strong Communities Select Committee
 - Public Service Select Committee
- 56** The Scheme of Delegation sets out responsibilities for decision making. The Council's website includes the Cabinet and Cabinet Member decisions / Member profiles. The Scrutiny Handbook and a Scrutiny and Executive Protocol have been developed to support Members to carry out their responsibilities effectively provides a guide for Members, officers and the public on the role and value of scrutiny and the website displays the Scrutiny Forward Work Programme and invites public

submissions. Development of Customer Insight to better understand our communities. Dissemination of ward meeting minutes.

- 57 Social media, Twitter, Facebook and You Tube for example, is used to engage local people and communicate the corporate message. Scrutiny has a Twitter account to help engage more effectively with the public on democracy. Chief Officers, Members and the Communications team are very proactive in engaging with the public.
- 58 Public engagement events and You Tube continued in 2020/21 for the budget proposals. The Council has encouraged the community within Monmouthshire to actively contribute to making stepped changes to improve the way in which services are provided. This links back to the principles of the Well-being of Future Generations Act which sets out five ways of working including involvement.
- 59 In addition to regular internal communications, throughout the pandemic the Chief Executive has extensively engaged with the public providing updates on essential Covid-19 related statistics and Council service provision.
- 60 In May 2018, Monmouthshire Public Services Board, adopted their Well-being Plan in line with the requirements of the Well-being of Future Generations (Wales) Act. The plan was informed by the Monmouthshire Well-being Assessment which sought the views of Monmouthshire residents and draws together findings from data, academic research and policy papers and the views of local people. This Plan is challenged publicly through Public Services Select Committee, July 2020.
- 61 The “Our Monmouthshire” approach, which was essential to the Well-being Assessment is about all of us addressing the needs of the future as well as current generations. People in Monmouthshire were asked “*what’s good about your community and what would make it better, now and in the future*”. The well-being assessment was also used as evidence to inform the Council’s Corporate Plan, making sure it addresses some of the really big challenges that Monmouthshire faces in coming years.
- 62 Transparency and openness is important to Monmouthshire; the Annual Statement of Accounts was taken through the Audit Committee process before being endorsed by Council. All Council decisions, reports and questions asked by Members are available on the website. Financial information, Corporate Plan progress, Council activities, achievements, developments, updates and events were included on the Council’s intranet and website, with all Council, Cabinet, Audit Committee and Select Committees live streamed. All public meetings of the Council are live streamed and are available to view on the Council’s YouTube channel at any time after the meeting, which provides greater transparency of the Council’s business.
- 63 Individual Cabinet Members can make decisions under the scheme of delegation; agendas and decisions for all Cabinet Members are published on the Council’s website.
- 64 The Council’s website contains links to the following areas of open data in the interests of openness.

Data published by Monmouthshire County Council:

- List of expenditure over £500
- Our spend data as a useful dashboard
- Food Hygiene ratings
- Business property data set
- List of Primary Schools
- List of Secondary Schools

- 65 The Medium Term Financial Plan (MTFP) supports the vision for Monmouthshire and extensive public engagement continued in 2020/21 for the 2021/22 budget and Medium Term Financial Plan which engaged with the public in their own community; this included website, social media, drop in sessions

YouTube (January 2021) and open meetings. These were key to providing people with the opportunity to become informed; Cabinet October 2020, January 2021.

- 66** Public engagement and consultation is key to the WFG Act; one of the five ways of working is Involvement. This along with the other ways of working is now considered in all relevant decision making reports for Cabinet and Council through a Future Generations Evaluation which includes Equalities and Sustainability Impact Assessments. The progress of implementing the WFG Act was reported through the PSB in 2020/21, July 2020.
- 67** Implementing Open Government standards which enable us to effectively engage with our citizens and open up our data for anyone who needs to use it. Making the most of digitisation and digital inclusion to enable us to engage with people across our County.

Principle C: Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits

- 68** The Council's five priority goals, which are also the Council's well-being objectives, are set out in its Corporate Plan 2017-2022, "A Monmouthshire that works for everyone" which was approved by Council in February 2018. A mid-term refresh was presented to Council in March 2020. The 2019/20 Corporate Plan annual report was presented to Council in October 2020. Building sustainable and resilient communities is the unifying purpose of the diverse range of services the Council delivers. This is shared with our partners on the PSB, which is responsible for setting well-being objectives for the County.
- 69** Monmouthshire County Council is a member of the Monmouthshire PSB, where we work with other public services and the voluntary sector on the delivery of the local well-being plan. This includes countywide well-being objectives that are a focus for public services that are part of the PSB. Combining the ingenuity and initiative of all partners is key to finding new solutions to pressing, social, economic and environmental problems. This sense of 'power of the collective' is central to its core purpose, reflected in its values and embodied in its culture.
- 70** The Well-being Plan sets out the vision of the PSB. The four identified objectives are to:
- Provide children and young people with the best possible start in life
 - Respond to the challenges associated with demographic change
 - Protect and enhance the resilience of our natural environment whilst mitigating and adapting to the impact of climate change
 - Develop opportunities for communities and business to be part of an economically thriving and well connected county.
- 71** Under the Well-being of Future Generations (Wales) Act 2015 The Council has a responsibility to:
- Set and publish well-being objectives
 - Take all reasonable steps to meet those objectives
 - Publish a statement about well-being objectives
 - Detail arrangements to publish an annual report of progress
- 72** In March 2018 Council approved the Council's Corporate Plan 2017-2022, which incorporated the Council's well-being objectives, and endorsed the Area Plan. The well-being objectives bring together the latest evidence from the well-being assessment, policy and legislation and show how the Council will strive to deliver a public service that meets the needs of the present without compromising the ability of future generations to meet their own needs. The Well-being Objectives are now incorporated within the Corporate Plan; the 2019/20 update was presented to Council October 2020.
- 73** The Corporate Plan Objectives for 2017 to 2022 are supported by service business plans to operationally deliver these objectives. Service plans are made available on the Council's Hub intranet site. These are quality assessed as part of the service planning process. All service plans were developed to align the delivery of the Council's Corporate Plan. Through the pandemic in 2020/21 the

Council's established performance framework has been adjusted and prioritised in its application, where necessary, to reflect the Council's response. Through the coronavirus pandemic a series of interim strategies to provide clarity in direction and ensure accountability have been established—Cabinet May 2020, July 2020 & December 2020. To support this, structures and mechanisms were put in place to track and evaluate progress.

- 74** Audit Wales presented its Certificate of Compliance for the audit of Monmouthshire's 2020/21 Improvement Plan to the Audit Committee in June 2020. It has carried out work with all councils on improvement assessment, the WFG Act, the service user perspective and scrutiny as well as some local work. It concluded that the Council meets its statutory requirements for continuous improvement and there are no formal recommendations.
- 75** Reports were taken through the scrutiny process during the year which included links to the Council's policies, priorities and objectives. The agendas and minutes of which became public documents are available through the Council's website.
- 76** WFG Act continued to be a key theme and foundation through the reporting processes in 2020/21.
- 77** The Council is embracing the benefits of digital communications including social media use, for example "My Monmouthshire", which enables people to interact and transact with the Council using mobile devices. The Council's website includes more transactional functions. In 2018-19 the Council also launched a "chatbot" to further broaden the channels people can use to interact with their local authority. During 2020/21 there was extensive use of Twitter, Facebook and You Tube to raise awareness of forthcoming events, to provide live streaming of Cabinet, Council, scrutiny and other political meetings, to promote the activities and services provided and to show support and encouragement for community groups.
- 78** Enhancing the digital services with economic (effective and efficient processes aiding business interaction), environmental (less travel and print consumables) and social (digital customer centric services) continued to be a key aspect of improving services throughout 2020/21. Outcomes are measured via the Digital Programme Office Service plan and performance planning process.
- 79** To ensure the best use is made of resources and that taxpayers and service users receive excellent value for money, there are a number of mechanisms within the Council to support this. The option appraisals for the 21st Century Schools considered cost and quality to determine the best outcome for the service; budget mandates were in place to monitor and capture the savings assessments; the IT Board reviewed business cases for future IT investment.
- 80** Regular budget / outturn reports for revenue and capital were presented to and approved by Cabinet during the year; June 2020, July 2020, October 2020, January 2021 & March 2021. The budget management actions of Cabinet and senior officers are scrutinized by 4 of the Select Committees quarterly. The budget monitoring reporting cycle periodically contains some output measures and unit cost data, so that economic comparison of costs with other Councils can be made. Previously the Council has compared very favourably to others.
- 81** The MTFP process for 2021/22 to 2024/25 was reviewed and approved by Cabinet in October 2020 and January 2021. The Draft Capital Budget Proposals 2021/22 to 2024/25 were taken to Cabinet in January 2021. Draft Revenue Budget Proposals 2021/22 also went to Cabinet in January 2021. Final Proposals went to Cabinet in March 2021. Ongoing scrutiny of the Council's budget position in line with the MTFP has provided Members with a greater understanding of the budget setting process and the pressures within individual directorates.
- 82** An authority-wide performance measurement system for the Council, the "data hub", hosted on the Council's intranet site continues to be updated. This enables Members and officers to track and monitor data in key strategic plans through "dashboards". This also allows performance to be compared against other council areas, where applicable. The "data hub" has been reviewed and streamlined to ensure information is up to date and focussed on the most pertinent performance data.
- 83** Audit Wales presented the Audit Wales Certificate of Compliance for the audit Monmouthshire County Council's assessment of performance for 2019/20 to Audit Committee in November 2020. This was

an update on the current effectiveness of the Authority's performance management arrangements. Audit Wales concluded that the Council has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

- 84** The Equality Impact Assessment and Sustainable Development checklists were revised and combined to align with the Future Generations Act. The "Future Generations Evaluation" ensures the decisions the Council makes are carefully considered to take equality and sustainable development into account, this includes legislation that Monmouthshire County Council is subject to the Equality Act 2010, WFG Act and Welsh Language (Wales) Measure 2011. A range of these were undertaken during 2020/21 which have been published on the website accompanying decision making reports.
- 85** The Council has a long-standing commitment to equality and diversity and under the Equality Act 2010, has to produce a Strategic Equality Plan. The Council's third Strategic Equality Plan 2020-2024 sets the Council's objectives to ensure it delivers better outcomes for people with protected characteristics. An annual monitoring report for 2019/20 has been produced and scrutinised by Strong Communities Select Committee in March 2021.
- 86** The Council has a Welsh Language Strategy for 2017 – 2022, which sets out a vision of how Welsh language will look in Monmouthshire in 5 years, and is accompanied by targets to help achieve that vision. Also the Welsh Language Monitoring Report 2019/20 was presented to Strong Communities Select in September 2020 to note compliance and progress made with the Welsh Language Standards allocated to Monmouthshire County Council.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

- 87** The Local Authority is a partner in the South East Wales Consortium Schools Causing Concern protocol. This Policy forms a part of, and is aligned with, the National Model for School Improvement in relation to the informal support and challenge provided by the Local Authority (LA) to a school prior to any issuing of a warning notice or invocation of formal powers of intervention based on the six grounds for intervention. It also aligns with the Welsh Government (WG) Guidance on Schools Causing Concern (March 2016).
- 88** Contract Procedure Rules exemptions are normally reported to the Audit Committee every six months; a report will be taken to Governance and Audit Committee during 2021/22 outlining the previous 18 months of exemptions requested. Managers are challenged in year to justify their procurement outside the Council agreed procedures.
- 89** Regular reporting into Cabinet, Scrutiny and Audit Committee enables the achievement of the Council's objectives to be challenged and appropriate actions put in place to address any identified issues so that the intended outcomes can be achieved. The Strategic Risk Register was reviewed by Audit Committee in July 2020. The Whole Authority Strategic Risk Assessment 2020/21 was also reported to Audit Committee (March 2021) and signed off by Cabinet April 2021.
- 90** Dealing with customer complaints helps Monmouthshire to identify and deal with failures in service delivery. The Council's complaint / compliment procedure is available on the web site. Out of 214 complaints received in 2019/20, 207 were resolved informally with 13 being formally investigated, 5 of which were referred the Ombudsman, with only 1 under investigation. 169 comments were received along with 240 compliments; (Audit Committee February 2021).

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

- 91** The Council's recruitment procedures provide equality of employment opportunities. The equality-assessed pay structure meets the requirements of the Single Status Agreement of 1997. The Single Status Collective Agreement was approved by Cabinet in September 2010. This is complemented by the People Strategy.
- 92** Developing the digital capabilities of people and systems to enable effectiveness, efficiency and enhanced customer services is important within Monmouthshire and is measured via the Digital Programme Service Business Plan. To further enhance service delivery and better deal with cyber security / information risks the Digital Programme Office has been split into the Information Security and Technology Team and the Digital Design and Innovation Team.
- 93** There is continued support for Members' development through briefing sessions and other learning opportunities. A comprehensive training programme was developed for the intake of new Members following Council elections in May 2017.
- 94** There is also ongoing training and development which meets the needs of officers and Members through the corporate programme. Coaching and leadership skills training will be rolled out to all managers in due course. Check in, Check Out provides a value-based performance assessment approach between staff and line managers and aims to ensure employees have clear and effective understanding of their contribution to the objectives of their teams and subsequently the Council.
- 95** A Scrutiny Member Development Training Programme is in place which provides ongoing specific skills based training for Members and includes scrutiny induction; this is agreed by the Scrutiny Chairs' Group. The training programme forms part of the Scrutiny Service Plan.
- 96** Appropriate and relevant job descriptions were in place for the Chief Executive, Strategic Leadership Team (SLT), Monitoring Officer and Head of Finance.

Partnerships/collaboration working

- 97** There is Council policy on information sharing along with numerous information sharing protocols with our partners; this is included within the Data Protection Policy. Information sharing is key to joined-up service delivery. The Wales Accord on the Sharing of Personal Information (WASPI) was developed as a practical approach to multi agency sharing for the public sector in Wales. The Authority is required to meet statutory obligations regarding the handling and sharing of data, in accordance with the General Data Protection Regulation 2018. The Information Sharing protocol has been developed to ensure information is only shared appropriately, safely and compliantly.
- 98** The Council ensures that it has appropriate governance arrangements around its collaborations with other public agencies and other third parties. These can take a range of forms, from informal arrangements to those where governance arrangements are determined through legislation. The governance arrangements form a key part of the decision making processes that the Cabinet or Council follow when deciding to enter a collaborative arrangement, transparent local accountability is a key area of focus.
- 99** As a key example of our commitment to effective governance, arrangements have been developed for the PSB Select Committee, now the Public Services Committee from March 2020.
- 100** The Community & Partnership Development Team was developed in order to help build sustainable and resilient communities that support the wellbeing of current and future generations in Monmouthshire which is a shared purpose with the public service board partners. The Team work with communities and partners to help bring about social change and improve the quality of life in the county. The team act as enablers, unlocking potential and supporting sustainability through collective impact; providing a resource and tangible link between local communities and a wide range of partners; enabling the delivery of measureable and sustainable programme of activities that will constantly look to the future. The team will ensure MCCs statutory duties are fulfilled across the partnerships landscape.

Principle F: Managing risks and performance through robust internal control and strong public financial management

- 101** There are robust arrangements for effective internal financial control through the Council's accounting procedures and financial regulations. These include established budget planning procedures, which are subject to risk assessment, and regular reports to Members comparing actual revenue and capital expenditure to annual budgets. The Chief Finance Officer is responsible for the proper administration of the Council's financial affairs, as required by Section 151 of the Local Government Act 1972. Procedures for tendering and contract letting are included in the Contract Procedure Rules and Financial Procedure Rules. The Council's Treasury Management arrangements follow professional practice, are subject to regular review and are contained in the Treasury Management Strategy approved by Council each year.
- 102** In July 2017 Audit Wales reported to Audit Committee that the "Council has a clear strategic approach for significant service changes, although better information would help Members when deciding the future shape of the Council" (Good Governance when Determining Significant Service Changes report, March 2017).
- 103** Audit Wales presented its Certificate of Compliance for the audit of Monmouthshire's 2020/21 Improvement Plan to the Audit Committee in June 2020 and concluded that the Council is meeting its statutory requirements.
- 104** The Anti-Fraud, Bribery and Corruption Strategy was revised and updated during 2017/18. It was approved by Cabinet July 2017 and provides a deterrent, promotes detection, identifies a clear pathway for investigation and encourages prevention. The Council's Council Tax Reduction Anti-Fraud Policy was approved by Cabinet in June 2015. A training package has been developed and presented to Audit Committee (January 2020).
- 105** The Audit Committee considers the effectiveness of the Council's arrangements for securing continuous improvement including risk management arrangements. The Audit Committee also considers corporate governance, monitors the work of auditors and inspectors, and monitors the relationships between auditors and staff and the responses to audit and inspection recommendations. It also has responsibility for reviewing the Annual Statement of Accounts and its associated reports (which include this statement) before approval by Council. The Audit Committee has an independent, non-political, Chairman who prepares an annual report of the work of the Audit Committee, July 2020.
- 106** Internal Audit operate to the standards set out in the 'Public Sector Internal Auditing Standards' which have been developed from the Institute of Internal Auditors (IIA) International Internal Auditing Standards which came into effect in April 2013. The team's role and status is set out in the Council's Internal Audit Charter. The Chief Internal Auditor reports to the Audit Committee a summary of audit findings for each quarter, and also reports annually an opinion on the overall adequacy and effectiveness of the Council's internal control environment.
- 107** The Chief Internal Auditor continues to ensure Internal Audit complies with the Public Sector Internal Audit Standards. A self assessment was undertaken during 2017/18 to assess compliance with the Standards which was validated in March 2018 by an external assessor, the Chief Internal Auditor of Neath Port Talbot Council.
- 108** The Council has an objective and professional relationship with its external auditors and statutory inspectors. It manages its information resource through strategies and policies to enable effective decision making which is managed via the Information Strategy and action plan.

Risk management

- 109** The Council's Strategic Risk Management Policy was updated and approved by Cabinet in March 2019; progress was reported into Audit Committee in July 2020 & March 2021. The policy requires the proactive participation of all those responsible for planning and delivering services in identifying, evaluating and managing high level strategic risks to the Council's priorities, services and major

projects. The risk controls necessary to manage them are identified and monitored to ensure risk mitigation.

110 Within the Council the purpose of risk management is to:

- preserve and protect the Council's assets, reputation and staff
- aid good management of risk and support whole authority governance
- aid delivery of its population outcomes internally and when working with partners
- improve business performance and anticipated risks in delivering improvements
- avoid unnecessary liabilities, costs and failures
- shape procedures and responsibilities for implementation.

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.

The risk assessment is prepared by drawing on a wide range of evidence including service plans, performance measures, regulatory reports, progress on the previous risk assessment and the views of select and audit committees. In order to mitigate the risks, proposed actions are recorded and also aligned back into the respective service business plan. The risk assessment is a living document and is updated over the course of the year as new information comes to light.

111 The Council's Strategic Risk Assessment for 2020/21 contains 18 risks. These were reviewed throughout the year with the latest version was presented to Audit Committee in March 2021. The majority were rated initially as medium risks. Following mitigation there were 4 low risks, 9 medium risks and 5 high risks.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

112 The South East Wales Education Achievement Service (EAS) Business Plan 2021/22 was presented to Cabinet in March 2021. The plan sets out the priorities, programmes and outcomes to be achieved by the EAS on behalf of the South East Wales Consortium.

113 The updated People Strategy was endorsed by Cabinet in July 2018; this is the overarching framework for People and Organisational Development which supports its role in ensuring the organisation is equipped with the collective capacity, capability and mindset to meet financial and improvement challenges and respond to opportunities that present

114 The Council's first Commercial Strategy was endorsed by Cabinet in July 2018; the purpose of this report was to present for approval the Council's first Commercial Strategy and accompanying action plan. The strategy builds upon aspects of the Procurement, Digital and Asset Management Strategies and is a key means through which the Council can play a role in the self-determination of its future viability and sustainability.

115 In September 2019, the updated Digital Infrastructure Action Plan was approved by Cabinet.

116 There have been significant developments in technology in the last 4 years, and the experience, data and evidence we have collected from our customers about the way they wish to engage and transact with us has informed this new strategy. Our workforce needs to have the digital knowledge and skills to build in end-to-end automated customer services and business processes. We need to reduce demand through self-service facilities and provision of accurate, relevant data and information that people can use with confidence to make decisions.

117 Significant improvements have been made to cyber security arrangements since the onset of Covid-19 which has increased digital working methods.

- 118** In July 2018, the Council's latest iteration of its Procurement Strategy was approved by Cabinet. The Strategy builds upon workshop sessions undertaken with the Economy and Development Select Committee and the aims, aspirations and priorities for procurement, identified throughout the participative process.
- 119** Transparency and openness is important to Monmouthshire; the Annual Statement of Accounts was taken through the Audit Committee process before being endorsed by Council. All public meetings of the Council, including Council, Cabinet, Select, Audit Committee, Planning Committee are live streamed on YouTube and are available to view on the Council's YouTube channel at any time after the meeting, which provides greater transparency of the Council's business.
- 120** The Council's enabling strategies have been revised to align to the delivery of the corporate plan, these include the Digital Strategy, People Strategy and Asset Management Strategy as well as linking in with MCC's Service Business Plans.
- 121** The Audit Committee continues to support the Internal Audit team and endorses its annual report and plan. The plan details the work and service areas the team will cover based on a risk assessment in order to provide assurance on the adequacy of the internal controls, governance arrangements and risk management process. The Audit Committee presents its Annual report to Council.
- 122** The Whole Authority Report complaints, comments and compliments 2019/20 was presented to Audit Committee in February 2021 which identified the number and types of feedback received and dealt with from 1 April 2019 until 31 March 2020.

Information Governance

- 123** Monmouthshire County Council (MCC) has restructured its Information Security and Governance offering from June 2021 in response to an increase in digital working and to maintain cyber resilience to protect our information. MCC continues to ensure training and awareness of governance issues is focussed on high risk service departments as well as through continuous updates and Information Security training events. This is to ensure compliance with the General Data Protection Regulation 25th May 2018- specifically following the "12 Steps to Compliance" as recommended by the Information Commissioner's Office (ICO). A structured approach to information security and governance is operated internally via the Information Governance Group chaired by Senior Information Risk Officer (SIRO) as well as through collaboration with the wider SRS partners providing our technology infrastructure. GDPR Operational Leads have been established, along with Digital Champions linking in with teams, individuals and volunteers to ensure compliance and messages are communicated.
- 124** MCC have a dedicated intranet site for general advice as well as assistance with GDPR legislative requirements, including templates for privacy notices, records of processing activities (ROPA's) and Data Processing Impact Assessments (DPIA's).
- 125** To keep the public informed, MCC has now published its online privacy notices for relevant service areas. Significant work is underway through 2021/2 to consolidate and update all privacy notices to make them more transparent and sustainable to maintain. A comprehensive list of all data systems is maintained centrally along with information audits for every service area, linking into the ROPA's.
- 126** The Corporate GDPR Policy is on the public website for clarity. Related policies will be updated accordingly by relevant lead officers, so that they satisfy GDPR requirement. Links are in place to work with the South East Wales Information Forum (SWIF) and WARP (Warning Advice and Security Point) on a regular basis to share best practice. Good housekeeping is encouraged as is continuous improvement to mitigating against the risk of harm to individuals, although it is recognised further work is required to back date data cleansing tasks which require considerable capacity.

127 The Council will continue to monitor and review its governance arrangements and identify any gaps. These will be addressed during the year to further strengthen governance in Monmouthshire County Council:

- Deliver awareness raising training sessions on the importance of compliance with new and revised Contract Procedure Rules and Financial Procedure Rules;
- Code of Corporate Governance to be formally approved by Cabinet

Action Plan 2019/20

128 Appendix 1 shows how the 2019/20 Action plan areas for improvement have been addressed during 2020/21.

Monitoring & Evaluation

129 We propose over the coming year to continually review our governance arrangements to ensure they remain effective and appropriate. Steps will be taken, where appropriate, to further enhance our governance arrangements. We are satisfied that these steps will address any need for improvements identified in the review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:**2021**

Councillor Richard John Leader

Signed:**2021**

Paul Matthews Chief Executive

Progress against the Action Plan 2019/20

Governance Principle	Area for Improvement	Progress
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Continue to deliver training sessions on the importance of compliance with the new and revised Contract Procedure Rules and Financial Procedure Rules;	Internal Audit have continued to deliver training sessions within schools and on the manager's induction programme. Internal Audit will work with the new procurement partnership to ensure the revised and updated CPRs are rolled out across MCC.
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	The Code of Corporate Governance was last approved by Council in July 2011. This will need to be updated and approved in line with Delivering Good Governance in Local Government Framework 2016'	Outstanding. The Code of Corporate Governance has been updated and was presented to Audit Committee in June 2020. This now needs formal Cabinet approval.
Principle F: Managing risks and performance through robust internal control and strong public financial management	The Council will work through the Audit Wales proposals for improvement in the following areas: <ul style="list-style-type: none"> Scrutiny: Fit for the Future? Review of Asset Management Information Management Whole Authority review of children's safeguarding 	A corporate plan has been developed that sets out a clear direction for the Council up to 2022. The role and purpose of service planning has been reviewed and a revised process established aligned to the corporate plan. Council's enabling strategies have been revised to align to the delivery of the corporate plan, these include the Digital Strategy, People Strategy and Asset Management Strategy The Council's Strategic Risk Management Policy was updated



REPORT

SUBJECT: Freedom of Information (FOI) and Data Protection Act (DPA) Breaches & Data Subject Access Request (DSARs) Report

MEETING: AUDIT COMMITTEE

DATE: 1st July 2021

1. PURPOSE:

- 1.1 The purpose of this report is to both describe the council's responsibilities when responding to information requests, and to present statistics on our performance under the Freedom of Information (FOI) and Data Protection Act (DPA) breaches and Subject Access Requests.
- 1.2 Members are asked to scrutinize the report and request any clarification of the information within it. We also invite members to discuss how we could improve the layout of the stats or the level of detail in order to make the data more useful and meaningful for them.

2. KEY ISSUES:

- 2.1 This report explains how the council has performed in the discharge of its legal responsibilities, as well as describes any changes in its administration processes for recording data.
- 2.2 In June 2021, responsibility for the administration of Freedom of Information and Data Protection relocated from the Digital Programme Office (DPO) into the new Information Security and Technology Team (ISTT). This team will continue to strengthen the link between the digitisation of information and the increased risk of data loss from cyber-crime or human error. The ISTT manages the transition from paper to digital storage and ensures that digital storage is organised and managed so that it can be easily available to the right person, in the right format and at the right time.
- 2.3 Since 2019, the administration of Data Breaches and FOI has been digitalised to make it easier to manage requests and extract relevant data. This change is constantly reviewed and improved to make sure it adds value and makes administration easier. This report will include performance data over time for comparison purposes. A recent change has been to split all of this data into per Directorate reports so that service area leaders can scrutinise the density of these request and issues. The information in this report is also split into these Directorates but the details have been excluded.

- 2.4 The statistical data included in this report isn't just for information. It is actively used by the ISTT to target changes in the way we record information to make it easier to extract relevant data on request. It is also used to assess the training needs in the organisation and focus training to the areas of higher risk. This targeted training supplements the 'blanket' electronic training and is far more effective in training in the context of the service areas working day.

3. FREEDOM OF INFORMATION

- 3.1 The Freedom of Information Act 2000 allows anyone to request any data and information held by the council, whether stored electronically or on paper. The Act imposes certain timescales and conditions around the format and supply of information. The new Information Governance Officer oversees the management and co-ordination of FOI requests, though the information must be collated and supplied by service areas within the statutory deadlines. Such is the workload of FOI requests, the council are recruiting an Information Governance Coordinator to support the management of this area, along with other Information Security and Technology tasks.
- 3.2 An internal review is conducted where the requestor is not satisfied that a full response has been given. The review covers internal processes used to uncover the information, as well as deciding whether the statutory regulations have been met. The number of these in the last year is documented below.
- 3.3 Requests under FOI and Environment Information Request (EIR) are not segregated. Figures include both. The target is for a percentage of FOI's closed within 20 Working Days. The target of 90% closed requests has not been achieved for the financial year 2020/21. This is, in the main part, due to the ongoing Covid-19 response and many service areas working with reduced staffing.

There continues to be an increase in the complexity of FOI's resulting in more time resource being required within the service area to respond to requests.

- 3.4 The number of requests received by Monmouthshire in recent years is as follows:

Financial Year	Number of requests received
2012-13	780
2013-14	918
2014-15	1002
2015-16	1061
2016-17	1045
2017-18	1005
2018-19	No statistics available
2019-20	931
2020-21	796

3.4.1 **Breakdown of last financial year (April 2020 to March 2021)**

	2020/21	2019/20
Requests received	796	931
Requests closed	657	924
Requests closed on time	394 (50%)	(69%)
Internal Reviews	5	3

3.4.2 Current overview of this financial year (2021/22):

1st April 2021 - 30th May 2021

Requests received	134
Requests closed	104
Requests closed on time	88 (66%)
Internal Reviews	3

- 3.4.3 This very recent data shows a positive trend in the number of FOIs closed on time, though it is clearly below the target of 90%. The indications are that Service Departments are struggling to return the required information to the FOI administrator within the statutory deadlines. This has been down to the covid emergency with staff shortages coupled with the increasing complexity of the requests themselves resulting in an inability to respond in time, even when reminders are issued. The FOI administrator contacts all requestors when the information is going to be late in order maintain good public relations.

- 3.4.4 The FOI administrator has attended Departmental Management Team meetings to identify problem areas and increase training and awareness of FOI legislation requirements as necessary. These statistics are also reported to the Information Governance Group where departmental representatives discuss the contacts
- 3.5 FOI requests are now allocated into the service areas that 'own' the response by the statutory deadlines. This is to help Members identify where the FOI requests are targeted, and where we may store information differently to help people to self-serve.

Service Area	Number of requests (2020/21 Financial year)
Chief Executives	37
Children and Young People	34
Enterprise (Majority are planning)	205
Mon Life	8
Resources	282
Social Care, Health and Safeguarding	200
Other	30

- 3.6 It should be noted that though the administration of FOI's rests within the ISTT it is the responsibility of the service departments to collate the information required by the FOI. With the increase in complexity of requests coupled with resource pressures in the service areas the time taken to respond has increased. The Information Governance Officer has met with various service area leads to address the need for prompt action.
- 3.7 Many service areas were impacted by the response to Covid-19 and this was particularly noticeable in FOI return times. The Information Commissioner's Office issued statements allowing Local Authorities to 'relax' response times whilst still urging a need for replies to be sent in a timely manner.
- 3.8 The Information Governance Officer has introduced new processes for FOI feedback over the past year. All requestors who have outstanding requests are contacted to enquire as to whether they still want the data. Timescales for contact have been set. Although this is labour intensive for the Information Governance Officer, it does provide an update for the requestor. It should be noted that no complaints about late FOI responses have been received in the last year.
- 3.9 Considerable effort is being made to 'signpost' people to readily available information rather than respond in detail to an FOI request. This is linked to opening up our data on our website in order for people to self-serve.

4. DATA PROTECTION ACT BREACHES

- 4.1 The Data Protection Act 2018 is there to ensure we secure our data from theft, loss or mismanagement. From time-to-time data breaches may occur which could have a harmful effect on an individual and these breaches must be managed to ensure they can't re-occur and to minimise any damage that has occurred. The 'more serious' breaches are reported to the Information Commissioner's Office (ICO), and these are included in this report for analysis.
- 4.2 Tables 1 & 2 below set out the number of breaches split into directorates and type. It is useful to note that the whole council is classed as a single 'data controller', whilst each school is its own 'data controller' so is responsible for its own data protection management.

Table 1 - Number of Data Breaches recorded 1st April 2020 to 31st March 2021

Directorate	Number of Data Breaches
Chief Execs	5
Children & Young People	7
Enterprise	4
Resources	9
Schools	21
Social Care, Health & Safeguarding	14
TOTAL	60

Table 2 - Type of data breach:

Cyber Security Issue	0
Email	45 **
Paper Records	6
Laptop/other devices	0
Other*	9
TOTAL	60

* 'Other' breaches include electronic records shared or accessed incorrectly, records not redacted accurately or photographs being shared without consent

** Emails account for 75% of all breaches in 2020/21. This is an increase from 68% the previous year.

Table 3 - Number of Data Breaches reported to the ICO:

Corporate	2
Schools	0
TOTAL	2

Table 4 - Number of Data Incidents (aka 'near miss' breaches):

Corporate	7
Schools	3
TOTAL	10

- 4.3 From April 2021, we have recorded data breaches incurred by other organisations that containing MCC data. For example, a member of staff working for Aneurin Bevan University Health Board, sending an email which contains a MCC resident's information to an incorrect recipient. These are recorded as data breaches by ABHB
- 4.4 A new process has been introduced for Data Protection Impact Assessments (DPIA) to be drawn up when services adopt new systems to ensure we are considering the implications of the data protection principles. These are being compiled into a DPIA register so an overview of all processes and new risks can be accessed efficiently.
- 4.5 The take up of Mandatory online GDPR training is reported to the Information Governance Group and is to date as follows:

Table 5 - GDPR Mandatory Training (July 2019 to June 2021)

By Directorate:

Chief Execs	60
Children & Young People*	222
Enterprise (inc. Mon Life)	273
Resources	119
Social Care, Health & Safeguarding	241
TOTAL	915
Schools**	857

NB * contains some School Staff

** one Secondary School completed with an External training company

5. DATA SUBJECT ACCESS REQUESTS

- 5.1 Individuals have the right to request to see any personal information that's held on them by the council. These Data Subject Requests (DSARs) require the council to search for any records they may hold, and make sure anyone else's personal information is redacted. The vast majority of DSARs relate to Social Care, and because these records can go back many years, responding to these requests is quite an undertaking. The number of DSARs therefore may not reflect the resources needed to collate the information.
- 5.2 For the purposes of this report, the number of DSARs received and responded to has is shown in the table at 5.4. This includes a breakdown of the main request service areas.
- 5.3 Financial Year 2019/20 - 51 SARs
Financial Year 2020/21 - 49 SARs

5.4 Number of Data Subject Access Requests for Financial Year 2020/21:

Data Subject Access Requests	Number
Children's Services	31
Adult Services	6
Mixed Children's and Adult Services	3
Whole Authority	9
TOTAL	49
<i>Number of individual requestors above</i>	<i>41</i>
<i>Number of 'on time' replies (28 days)</i>	<i>57%</i>
<i>Number of enquiries received (Missing Persons/Proof of Life etc.)</i>	13

6. CONSULTEES:

Information Security and Technology Team
Chief Officer Resources

7. BACKGROUND PAPERS:

FOI requests, DPA breach notifications & DSARs records

AUTHOR: Sian Hayward – Head of Information Security and Technology

CONTACT DETAILS:

Tel: 01633 344309 / 07825 450791

Email: sianhayward@monmouthshire.gov.uk

This page is intentionally left blank

Governance and Audit Committee - Forward Work Plan

2021/2022

1st July		
01.07.21	Annual Grants report	
01.07.21	CPR Exemption update	
01.07.21	Annual Governance Statement (plus Statement review of progress 20/21 b/f from 29.07.21)	
01.07.21	Information Breaches (twice yearly)	
01.07.21	Cyber report	
29th July 2021		
29.07.21	Audit Wales Proposals for Improvement Progress	To provide an update on the authority's progress against the Audit Wales Proposals for Improvement issued to the Council.
29.07.21	MCC Draft Accounts	
29.07.21	Audit Plan - Welsh Church Accounts	
29.07.21	Treasury Outturn report	
29.07.21	Draft Statement of Accounts 2020/21 - Charitable Trust Funds	
2ND SEPT 2021		
02.09.21	Review of reserves and revised reserves and capital receipts policy	
02.09.21	Internal Audit Outturn report 2020/21	
02.09.21	Internal Audit Plan 2021/22	
02.09.21	Internal Audit Progress report - quarter 1	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.
7TH OCT 2021		
07.10.21	Audited Statement of Accounts	
07.10.21	ISA260 Response to Accounts	
07.10.21	Anti bribery risk assessment	

Governance and Audit Committee - Forward Work Plan 2021/2022

07.10.21	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 20/21 to levels budgeted or forecast in the 2020/21 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.
07.10.21	Implementation of Internal Audit Agreed Recommendations	
07.10.21	Overview of Performance Management arrangements	To present an update on the current effectiveness of the Authority's performance management arrangements
25TH NOV 2021		
25.11.21	Audit Committee Self Evaluation - Verbal update	
25.11.21	Update on unfavourable Internal Audit Opinions	
25.11.21	Audit Wales Certificate of Compliance for the Audit of Monmouthshire County Councils Assessment of performance for 2020/1	
25.11.21	Audited Trust fund Accounts (Welsh Church Fund/Mon Farms)	Annual Report and Financial Statements for the year ended the 31 March 2021
25.11.21	ISA 260 or equivalent for Trust Funds	
25.11.21	Internal Audit Progress report - quarter 2	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.
25.11.21	Review of the Strategic Risk Register-6 monthly	
13TH JAN 2022		
13.01.21	Treasury Policy and Strategy report 2022-3	This suite of documents includes the Treasury Policy, The Treasury Management Strategy, the Minimum Revenue Provision Policy & the Investment and Borrowing strategies for 2023/4. If approved the targets and limits

Governance and Audit Committee - Forward Work Plan 2021/2022

		included will be used to guide and control the management of the Authority's treasury activities for the year and also non treasury Investment activity.
13.01.22	Recovery Planning - Assurance & Risk Assessment Feedback Letter	
17TH FEB 2022		
17.02.22	WAO Annual Audit Summary	
17.02.22	Whole Authority annual complaints report	
17.02.22	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.
31ST MAR 2022		
31.03.22	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.
31.03.22	Annual Performance Review of Investment Committee	
31.03.22	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
31.03.22	Annual Audit 22-23	
May-22		
	Annual Grants report	
	annual governance statement review 2020-1	

This page is intentionally left blank

Public Document Pack Agenda Item 13

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held at Remote Meeting on Thursday, 25th March, 2021 at 2.00 pm

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

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

OFFICERS IN ATTENDANCE:

Andrew Wathan	Chief Internal Auditor
Peter Davies	Deputy Chief Executive and Chief Officer, Resources
Wendy Barnard	Democratic Services Officer
Charlotte Owen	Audit Wales Officer
Emma Davies	Performance Officer
Richard Jones	Performance Manager
Jonathan Davies	Acting Assistant Head of Finance
Deb Hill-Howells	Head of Commercial, Property, Fleet and Facilities

APOLOGIES:

County Councillor J. Watkins

1. Declarations of Interest

Item 5: Annual Performance Review of the Investment Committee – CC P. Murphy declared a personal, non-prejudicial interest as a member of the Investment committee in the capacity of Cabinet Member for Resources.

2. Public Open Forum

No members of the public were present.

3. To note the Action List from the previous meeting

There were no actions brought forward from the previous meeting.

4. Whole Authority Strategic Risk Assessment

The Performance Officer introduced the Whole Authority Strategic Risk Assessment. Following presentation of the report, comments and questions were invited:

- Locally Managed School Budgets: A Member commented on the collective net deficit balance of £435k for the current financial year and the Month 9 analysis indicates further decline taking the overall forecast deficit to £166,000 and queried if the statement was correct.
- Investment Committee: A Member referred to the work of the Investment Committee noting the shortfall in rent covered by Welsh Government. A forecasted combined overspend of £836,000 was queried. The Member asked if this is an exclusive figure

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held at Remote Meeting on Thursday, 25th March, 2021 at 2.00 pm

unrelated to the income generated from Newport Leisure Park and Castlegate. It was responded that this amount relates to the income shortfalls separate to the funding received from the Welsh Government Covid 19 Hardship Fund. The net loss is significantly less as losses have been heavily offset by hardship funding.

- Procurement: Regarding the implementation of the Procurement Strategy, it was noted a strategic review has taken place. In response to a question, it was noted that the subsequent report is subject to individual Cabinet Member decision and was part of the budget consultation at the last meeting of the County Council.
- Infrastructure: A Member queried why infrastructure had reduced from high to medium risk.
- Solar Farm: A Member queried the restrictions in connecting potential new energy generation to the national grid that limit the ability to develop new solar farms and asked how this will be resolved. The Chief Officer, Resources explained the restrictions on the national grid prevalent in South East Wales impacted on the ability to create further solar farms. This is the subject of ongoing dialogue with energy companies. The possibility of battery storage to hold energy when there is available capacity is being explored as an option.
- The Chair queried the role of the Audit Committee in scrutinising the strategic risk assessment. The Performance Manager explained that the Committee must reassure itself on risk management arrangements. The risk owner provides updates within the risk management process. Whilst it may not be feasible for risk owners to be present at meetings, in undertaking scrutiny, the Committee may request that technical points are raised outside the meeting. Matters requiring further explanation can be considered by the appropriate Select Committee.
- A Member requested an update on the redeployment of Internal Audit staff to the TTP function. Assurance was provided that the team provided assistance from January 2021 onwards. By 1st March 80% had returned to their substantive roles. One member of staff remains on a longer term secondment to assist with the administration of business grants.
- The Chair questioned risks not mitigated after actions are taken (e.g. Risk 1 Potential Risk that: The authority does not remain relevant and viable for future generations due to not having a sustainable delivery model) referring to the disruption caused by the pandemic and flooding; circumstances that have prevented further mitigation. It was explained that various factors influence each risk and are taken into consideration in liaison with risk owners, taking into account how far it is within the Council's control to mitigate the risk. All risks are kept under continuous review and take account of mitigation measures. Risks may be reassessed if there are changes.

The Audit Committee agreed the report recommendations that:

1. 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: and
2. That members scrutinise, on an on-going basis, the risk assessment and responsibility holders to ensure that risk is being appropriately managed.

5. Annual Performance Review of the Investment Committee

The Head of Commercial and Integrated Landlord Services introduced the Annual Performance Review of the Investment Committee. It was confirmed that the report was presented to, and endorsed by, Investment Committee on 24th March 2021. Following presentation of the report, questions and comments from Members of the Audit Committee were invited:

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held at Remote Meeting on Thursday, 25th March, 2021 at 2.00 pm

A Member enquired how ideas and suggestions can be submitted for consideration by Investment Committee. The Deputy Chief Executive and Chief Officer, Resources explained that suggestions can be submitted from both inside and outside the authority by a variety of means. Officers assess opportunities before further exploration and consideration by Investment Committee. A business case is developed as appropriate.

A Member expressed the view that substitute members must be fully up to date with the work of the Committee and queried if a pool of trained substitutes could be established. It was agreed that continuity and experience is important but the Group Leader or Member being substituted could provide sufficient update.

In response to a question, it was confirmed that the 97% occupancy in Newport Leisure Park was based on area (m²).

It was also questioned if the 1.02% return on investment (ROI) was after the contribution from the Welsh Government Hardship Fund. It was confirmed that the ROI reflects the rent roll on the assumption that tenants pay according to their contractual obligation. Some adjustments have been made arising from CVAs. It was queried if an exit strategy existed and in what circumstances it would be utilised. It was explained that an exit strategy is prepared as part of the business case. For Newport Leisure Park and Castlegate, a business case was originally written predicated on a well performing asset. This has been reviewed to reflect current circumstances to assess disposal costs and the current market value given the reduction in the rent roll. The Investment Committee has agreed that the Newport Leisure Park should be retained based e.g. on the interest in the vacant unit which suggests long term interest in the site.

A Member questioned ease of access to the Investment Committee, commenting that it is difficult for non- Committee Members to ask a question due to confidentiality. It was suggested that a question could be asked on behalf of non- Committee Members by the Group Leader or a Committee Member.

Officers were thanked for their contribution to this item.

The Committee approved the recommendations as follows:

1. For the Audit Committee to consider and scrutinise the second performance review of the Investment Committee.
2. To review progress against the improvement proposals that were agreed by Audit Committee in March 2020.
3. To receive a verbal update at the meeting following consideration of the performance review by the Investment Committee at its meeting on the 24th March 2021.
4. For Audit Committee members to determine any further recommendations for improvement.

6. 6 Month Update on Unfavourable Opinions - Internal Audit

The Chief Internal Auditor introduced the six-month report on progress of unfavourable opinions. The Committee was advised that there was no recommendation to call in operational managers and Heads of Service to justify lack of progress and to hold to account for future

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held at Remote Meeting on Thursday, 25th March, 2021 at 2.00 pm

improvements. There are no consecutive Limited opinions of which the Committee is unaware. No new Limited opinions have been issued.

Following presentation of the report, members were invited to ask questions:

The Chair asked to what extent the report reflects the inability to operate in the past year due to the pandemic and the redeployment of staff to the TTP function. It was confirmed that the effect has been significant as it has not been possible to conduct site visits, relying instead on managers providing information electronically. Mainly, there has been evidence that there are good controls in place. Some elements of the Internal Audit Plan will have to be moved to the next year's plan.

The recommendations below were approved with no instruction to call in any operational managers or heads of service.

1. That the Audit Committee note the improvements made by service areas following the original **Limited** assurance audit opinions issued.
2. That if the Members of the Audit Committee are concerned about any of the audit opinions issued or lack of improvement made after the follow up audit review, consideration be given to calling in the operational manager and the Head of Service to provide justification for lack of progress and hold them to account for future improvements.

7. Audit Plan - Audit Wales 2020-21

The Audit Wales Audit Plan 2020/21 was introduced by Audit Wales Officers. Following presentation of the plan, Members were given the opportunity to ask questions:

A Member asked for an update on Audit Wales' work on Cardiff City Region City Deal (CCR). It was explained that this is included as a standard risk in audit plans. Based on the risk assessment for Monmouthshire, no specific risks have been identified and it was correctly accounted for last year. As the activity of the CCR increases, values will rise, it will be monitored to ensure the authority's share of CCR income and expenditure is accounted for correctly.

It was confirmed that collaborative work is audited separately and there is a separate audit team within Cardiff City Council that audits the City Deal accounts that also provides assurance that Monmouthshire's values are consolidated into financial statements correctly.

Referring to the financial audit, the Acting Assistant Head of Finance explained that the authority is aiming to finalise the draft accounts by the end of June deadline. The pandemic has adversely affected the good progress made to achieving faster closure deadlines. For the next financial year, the focus is on producing robust, accurate management reporting for Cabinet and scrutiny, and to return to normal operating procedures.

The Performance Manager informed the Committee that there is outstanding work carried forward from the 20/21 Plan that will be reported as appropriate. The Progress tracker will be presented to Audit Committee to monitor progress on previous improvement items. Performance work continues to consider good practice from local and national reviews carried out by Audit Wales.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held at Remote Meeting on Thursday, 25th March, 2021 at 2.00 pm

A Member queried the charges for the audit of the Welsh Church Fund accounts citing that there is in the region of £40,000 to allocate and the charge of £6255 to cover approximately 40 applications seems excessive. It was explained that the fees charged reflect the actual cost of completing the audit with no profit element. If the audit costs more, or less, an adjustment is made to the fee charged. There is continuous work to make efficiencies.

The Acting Assistant Head of Finance explained it is possible to undertake an inspection audit of the Welsh Church Fund accounts which would cost less. This has been considered but with the current set up and various partners across the region, a full audit is considered appropriate at this time to ensure structure and procedures are robust. This, however, remains an option for future consideration.

The Chair questioned if there could be efficiencies available due to familiarity with the work. The Audit Wales Officer agreed to investigate and to report back to the Member.

The Audit Committee noted the report.

8. Forward Work Plan

The plan presented finishes in May and should be further populated for the forthcoming year.

9. To confirm minutes of the previous meeting

The minutes of the previous meeting were accepted as an accurate record.

10. To confirm the date of the next meeting as 20th May 2021

Meeting ended at 3.20 pm

This page is intentionally left blank



SCHEDULE 12A LOCAL GOVERNMENT ACT 1972 EXEMPTION FROM DISCLOSURE OF DOCUMENTS

Meeting and Date of Meeting: Audit Committee, 1st July 2021

Report: Cyber Resilience

Author: Sian Hayward

I have considered grounds for exemption of information contained in the background paper for the report referred to above and make the following recommendation to the Proper Officer:-

Exemptions applying to the report:

This report will be exempt under paragraph 18 of Schedule 12A of the Local Government Act – Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

Factors in favour of disclosure:

Openness & transparency in matters concerned with the public

Prejudice which would result if the information were disclosed:

This report looks to provide Audit Committee with assurance around the cyber security arrangements that the Council has in place and to confirm its levels of resilience. In light of the sensitive information contained in the report around the Council's information security arrangements it is appropriate for this report to be exempt from public disclosure.

My view on the public interest test is as follows:

Factors in favour of disclosure are outweighed by those against.

Recommended decision on exemption from disclosure:

Maintain exemption from publication in relation to report

Date: 24th June 2021

Signed:

Post:

Head of Information Security and Technology

I accept/I do not accept the recommendation made above

Signed:

Peter Davies, Deputy Chief Officer / Chief Officer for Resources

Date: 24th June 2021

Document is Restricted

This page is intentionally left blank



SCHEDULE 12A LOCAL GOVERNMENT ACT 1972 EXEMPTION FROM DISCLOSURE OF DOCUMENTS

Meeting and Date of Meeting: Audit Committee, 1st July 2021

Report: Cyber Resilience in the Public Sector

Author: Audit Wales

I have considered grounds for exemption of information contained in the background paper for the report referred to above and make the following recommendation to the Proper Officer:-

Exemptions applying to the report:

This report will be exempt under paragraph 18 of Schedule 12A of the Local Government Act – Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

Factors in favour of disclosure:

Openness & transparency in matters concerned with the public

Prejudice which would result if the information were disclosed:

This report looks to present to Audit Committee the Audit Wales report on cyber resilience in the Welsh public sector. In light of the sensitive information contained in the report it is appropriate for this report to be exempt from public disclosure. This follows advice that Audit Wales has received from the UK's National Cyber Security Centre and that confirmed that publishing or making public the report would risk provoking cyber-attacks in Wales.

My view on the public interest test is as follows:

Factors in favour of disclosure are outweighed by those against.

Recommended decision on exemption from disclosure:

Maintain exemption from publication in relation to report

Date: 24th June 2021

Signed: Audit Wales – as per letter and request from Auditor General for Wales

Post: Auditor General for Wales

I accept/I do not accept the recommendation made above

Signed:

Peter Davies, Deputy Chief Officer / Chief Officer for Resources

Date: 24th June 2021

Document is Restricted

This page is intentionally left blank