

## MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held  
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 30th March, 2023 at 2.00 pm

**PRESENT:** Andrew Blackmore (Chairman)  
County Councillor Peter Strong (Vice Chairman)

Lay Member: C. Prosser, R. Guest,

County Councillors: Ian Chandler, John Crook, Tony Easson,  
Tony Kear, Malcolm Lane, Phil Murphy, and Laura Wright

### OFFICERS IN ATTENDANCE:

Andrew Wathan	Chief Internal Auditor
Annette Evans	Customer Relations Manager
Peter Davies	Deputy Chief Executive and Chief Officer, Resources
Wendy Barnard	Democratic Services Officer
Charlotte Owen	Audit Wales Officer
Jonathan Davies	Head of Finance
Rachel Freitag	Audit Wales Officer
Matthew Gatehouse	Head of Policy, Performance and Scrutiny
Hannah Carter	Graduate Performance Analyst

### APOLOGIES:

Lay Member M. Veale

#### 1. Declarations of Interest.

No declarations of interest were made.

#### 2. Public Open Forum.

No requests had been received from members of the public.

#### 3. To note the Action List from the previous meeting.

The Action List from the previous meeting was noted:

1a. **Key Collaborations and Partnerships:** The Chief Internal Auditor provided an update that this work is ongoing, and the full report will be presented at the next meeting. A summary of the report is that we have reasonable governance arrangements in place for most partnerships. [ONGOING]

1b. **SRS/Adequacy of Torfaen County Borough Council audit function:** This has been added to the Forward Work Plan. Audit reports with unsatisfactory ratings will be reported to Governance and Audit Committee as and when they are issued. [CLOSED]

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Governance and Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 30th March, 2023 at 2.00 pm

2a. **Finance Team Capacity:** The Head of Finance provided an interim update that consideration is being given to different team models with a view to moving forward to recruitment. A further update will be provided at the next meeting. [ONGOING]

2b. **Council Tax/Market Value variations:** The Head of Finance will respond to Colin Prosser outside this meeting. [CLOSED}

2c. **Commercial Investments trend analysis:** The Head of Finance advised that an update on commercial investment progress will be available at the next Investment Committee. Going forward, year on year analysis will be reported to the committee taking over responsibility for monitoring commercial investments, and to this Committee as required. It was agreed that each of the commercial investments will be reported upon separately. The last report to Investment Committee was 7<sup>th</sup> November 2022. It was confirmed that the papers for that meeting are available to all Members. [ONGOING]

3. **Audit Team Capacity:** It was confirmed that the Senior Auditor post will not be removed from the team structure as part of the proposed budget savings. The Committee was thanked for its support. Recruitment to the post will take place in the new financial year. The Audit Manager post has been appointed and the new postholder will start towards the end of April. One of the Audit Manager's first tasks will be to ensure there is a full complement of staff in the Audit Team. If any additional resource is required, external resources will be considered. [CLOSED]

#### 4. Audit Wales: Outline Plan 2023/24.

The Audit Wales Officers presented the Outline Audit Plan for 2023/24. Following presentation of the Plan, Committee Members were invited to ask questions.

The Chair asked to see the letter providing amended timetables for local government audits and revised fees. The Chair enquired if there were training materials available to assist the Committee to understand requirements of ISA315. The Audit Wales Officer will keep Members updated at Committee meetings and pre-meetings regarding ISA 315, with information bespoke to Monmouthshire.

A Member asked about the IT element for ISA315 specifically the enhanced focus on data integrity and enquired what was carried out by Audit Wales previously and if this will be a function for Internal Audit in future. In preparation for the new standards, it was confirmed that Audit Wales notes the increased focus on IT consequently there is an increased level of work and detail on IT audits.

The Head of Finance commented on the impact of the new requirements on the Finance Team. The increased contact with Audit Wales Officers will be managed centrally to ensure Audit Wales has adequate access to information and other teams will be alerted of the need to provide information. It was emphasised that there are regular meetings with Audit Wales and preparatory work and testing is already in progress. Autumn will be challenging as budget work starts, so it is planned to complete draft accounts by the end of June to allow Audit Wales to test the main areas. Hopefully there will be no national issues to draw on the Finance Team's time. The robustness of working papers will be key, and improvements will reduce contact time with Audit Wales. Data analytics will increasingly be used to find auditing efficiencies in future. The authority is committed to working constructively with Audit Wales during the audit period. The Chair asked that the Committee is kept updated of any material issues.

The Outline Plan was noted. The Committee looks forward to receiving updates on Audit Wales fees and progress against the plan.

## MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Governance and Audit Committee held  
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### **5. Audit Wales Work Programme: Council Progress Update.**

The Performance Analyst presented an update of the Council's progress against the Audit Wales Work Programme. Following the report, Members asked questions:

A Member suggested that the People Strategy and Asset Management Plan should be considered separately. The Head of Policy, Performance and Scrutiny explained that the People Strategy and Asset Management Plan were conflated as they were in the same Audit Wales study and several common points were raised. Additionally, there are a series of enabling strategies sitting beneath the Community and Corporate Plan. For now, there is a high degree of commonality in both plans but as they develop, there will be more divergence. It was agreed to separate these strategies in future updates.

A further question asked how value for money is systematically assessed by the Council and Audit Wales quoting the example of some temporary traffic lights. The Officer explained there is a range of means to ensure value for money including the role of the Governance and Audit Committee, a published list of all expenditure over £500; risk-based reviews are conducted, and regular budget reports are presented to Performance and Overview Scrutiny Committee. When issues are identified, they can be added to the risk register. Members were uncertain that elected members or members of the public would know where to find the expenditure list.

Members requested more assurance about systematic assessment of value for money and the Officer provided information about contract standing orders. Officers procuring goods and services outside of the contract standing orders must contact the Chief Internal Auditor for an exemption; a list of exemptions is reported to Governance and Audit Committee. Audit Wales's local work looks at the Council's arrangements for value for money and has made recommendations in the Springing Forward Report to ensure reporting mechanisms and the means for measuring progress against strategies enable scrutiny committees to assess value for money.

Noting concerns that a Member had to make a Freedom of Information request to gather information the Officer emphasised the importance of the Council's publication scheme and its responsibility to ensure the information is in the public domain and accessible. The Council is developing more open data, so it is more easily accessible by commonly used search engines.

A comment that the language in the report would benefit from being more concise and include some timelines will be considered for future reports.

The Head of Policy, Performance and Scrutiny will respond in writing to a question regarding social enterprise (slippage of nearly a decade Wales-wide).

A Member referred to the Council's duty to encourage social enterprise and measure its impact. It was confirmed there is no register but there is a piece of work looking at the various partnerships and joint services where we fund or enable social enterprise. Engagement can be formal or informal through town centre work and clustering and the partnership and community development team.

A Member referred to examples of innovative community driven social care partnerships and asked if this could be explored. The Officer thought Monmouthshire Housing is working on this aspect to encourage a co-operative of care workers. Also work progresses on Micro-caring. The paper was noted. Members scrutinised the council's response to the Audit Wales work programme and sought assurance that adequate progress is being made.

## **MONMOUTHSHIRE COUNTY COUNCIL**

### **Minutes of the meeting of Governance and Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 30th March, 2023 at 2.00 pm**

Members noted the ability to refer any issues contained within Audit Wales national studies to other committees for consideration where they identify there are findings of particular relevance to the council that need further scrutiny.

#### **6. Whole Authority Complaints Report April 2021 - March 2022.**

The Customer Relations Manager presented the Whole Authority Complaints Report April 2021 – March 2022. Following presentation of the report, Members were invited to ask questions:

A Member noted that the bar charts reflected 3-year trends and the text shows 5-year trends which are less positive. This point was noted for future reports. It was agreed it is concerning that there are no complaints directly from Children and Young People. It was explained that Social Workers let children/young people know that they can complain and a leaflet with age appropriate language is made available. Social workers, teachers, friends, parents etc. can raise complaints on a child's behalf. Historically, across Wales, there are few complaints directly from Children and Young People. They are reluctant to engage in a formal process preferring to seek help from a Social Worker, Parent, Teacher etc for quick resolution. Issues, therefore, may be dealt with outside of the Complaints procedure.

Regarding questions about exceeding timescales, it was explained that there is only a small pool of external investigating officers who are used by other authorities leading to possible delays. Additionally, the complexities of a complaint may require more research, contact with the complainant for additional information, interviewing of staff, inspection of files and records as well as time to compile the report.

A Member observed that some of the comments could be interpreted as complaints. It was questioned why the report is presented to Governance and Audit Committee as, for example, the Social Services Complaints report could be considered by the People Scrutiny Committee or the whole authority complaints report could be considered by the Place Scrutiny Committee. This Committee could concentrate on a framework or approach and performance indicators. The mechanisms for learning and improving should also be reported upon. It was agreed that these points would be considered by officers in terms of how best to address them.

A Member suggested year on year comparisons and queried if there should be a weighting system for complaints according to the seriousness of the matter. The Officer explained that safeguarding issues would be referred to Social Services as a priority. A weighting system will be considered for future reports.

A Member noted that the information is a year old, so it would be better to reflect on more up to date, relevant information when considering effectiveness. The Head of Policy, Performance and Scrutiny explained that next year, the report will be presented earlier. It was explained that each complaint has an action plan that is shared with managers to facilitate learning as a whole authority.

The Officer was thanked for the report which was noted. The report provided a useful insight into the experience of service users but was not in itself sufficient to provide assurance to the committee over the effectiveness of the authority's processes for dealing with complaints and compliments. Officers were asked to reflect carefully on these comments.

#### **7. Audit Wales Annual Audit Summary.**

The Audit Wales Officers introduced the Annual Audit Summary. It was explained that the report is for information only, providing a summary of the financial and performance work carried out during 2022 by Audit Wales. The key facts include reference to the Welsh Index of Multiple

## MONMOUTHSHIRE COUNTY COUNCIL

### **Minutes of the meeting of Governance and Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 30th March, 2023 at 2.00 pm**

Deprivation which provides comparative data across Wales. None of the 10% deprivation areas are in Monmouthshire but it is recognised that there are pockets of deprivation in the County; a footnote with a link to the Monmouthshire Wellbeing Assessment is included.

There were no questions or comments.

#### **8. Overview of Performance Management Arrangements.**

The Head of Policy, Performance and Scrutiny presented an Overview of Performance Management Arrangements. Following presentation of the report, questions and comments were invited from Committee Members.

The Chair referred to self-evaluation and queried how the Committee can engage with the process. It was explained that the self-evaluation will be presented to the Governance and Audit Committee as required by the Local Government and Elections Act 2021, and to the Performance and Overview Scrutiny Committee. The Chair expressed the view that the Committee has a legitimate interest in prospectively reviewing the proposed self-evaluation process to ensure that levels of unconscious bias were recognised and controlled appropriately so that there was confidence in the output.

The Head of Policy, Performance and Scrutiny confirmed that he is responsible for signing off the assessment.

A Member reported that progress reports on some service business plans are not always available on The Hub.

A Member referred to service business plans noting that they must not be paper exercises. Responding to this point, it was confirmed that quality assurance has helped to guide service heads in a forward-looking mechanism.

A Member stated that the savings proposals would require significant service changes and it is unclear how the updated service business plans show where there has been service transformation because of budgetary pressures. The Head of Policy, Performance and Scrutiny confirmed that the service business plans would not show the detail of how the savings change a service or how the savings proposals will be implemented. The detail will emerge as the plans for the new year are shaped adding that change management programmes will require much more detail than a service business plan.

A Member asked how various forms of data are used to triangulate self-assessment findings. It was queried if self-evaluation is being informed by residents. The Member added that there should be clear impact assessments and use of process indicators and proxy indicators where it is not possible to measure impact directly; a framework would provide more confidence in the performance indicators. The Officer explained that service user data is wide ranging and varied e.g. from National Survey for Wales that is analysed to local authority level and individual services will do their own service customer/client surveys to compare with others and track own progress. A decision was taken some years ago not to use private survey facilitators due to the cost. Instead to use available information on a desk-based approach to produce the initial input for workshops. A different range of indicators are used and all evidence considered and triangulated to provide a reasonable indication of services users' level of satisfaction.

The Committee noted the report. Members used the update provided to inform their understanding of the effectiveness of the operation of the authority's performance management arrangements and identify any areas where they felt action needed to be taken or further information provided.

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Governance and Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 30th March, 2023 at 2.00 pm

#### **9. Review of the Strategic Risk Register - 6 monthly.**

The Head of Policy, Performance and Scrutiny presented the Review of the Strategic Risk Register. This is a regular, six-monthly report. Following presentation of the report, Committee Members were invited to ask questions and comment.

A Member referred to the SRS and noted that there are several stand-alone systems that sit inside the Firewall and questioned if the authority has a strategic overview. The Head of Policy, Performance and Scrutiny confirmed that the Council holds a systems register and the Head of Digital meets regularly with SRS to seek assurance of regular testing e.g. to prevent cyber-attacks. The Member asked about cyber security for legacy systems, queried the relationship with SRS and how the Council will meet the higher standards of the ISA 315 to meet the audit requirement. The Deputy Chief Executive explained that we have an independent security team separate from the SRS to prevent cyber security attacks and to hold the SRS to account. For future discussion, the Committee will have access to the internal audit programme for the SRS. One element of the cyber security arrangements has just received a full assurance audit. Regarding the enhanced requirements of ISA315, the point has been raised with the engagement lead in Audit Wales to discuss expectations, prepare and take a proactive approach.

Referring to Risk 4, ending today, a Member asked if the risk would remain and if there are plans to continue supporting that risk. The Head of Policy, Performance and Scrutiny referred to the three elements and provided an update that the temporary uplift to the mileage rate will be discontinued and this has been communicated to staff. An update on the remaining two elements will be provided outside the meeting.

As per the report recommendations, members noted the assessment but stated that in itself the paper was not sufficient to provide assurance about the effectiveness of the authority's risk management arrangements and concluded that there is need to refine the structure and contents of this paper so that it is more fully aligned to the responsibilities of the Committee. Separately, the Chair has written to the Head of Policy, Performance and Scrutiny setting out a proposal for addressing the apparent disconnect between the committee's expectations and that of officers in respect to the papers presented to this and previous meetings.

Regarding the Monmouthshire Programme Board, which sits under the Gwent Public Services Board, that is tasked with examining the benefits of, and developing, a community risk register that looks beyond the strategic risks affecting the local authority. The community risk register was endorsed and an update on outcomes will be welcomed.

#### **10. Implementation of Internal Audit agreed recommendations.**

The Chief Internal Auditor presented a report on the Implementation of Internal Audit agreed recommendations. Following presentation of the report, Members were invited to ask questions and make comments.

Chair asked if the SLT were supportive and encouraging service managers to implement the recommendations. The Chief Internal Auditor reported that SLT feedback has been very positive and the reports have been taken back to DMTs with a strong message to implement the recommendations as agreed. It was recommended that a further report is received in six months' time.

It was reported that progress on 2022/23 plan likely to achieve 70% of the agreed plan.

## MONMOUTHSHIRE COUNTY COUNCIL

### **Minutes of the meeting of Governance and Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 30th March, 2023 at 2.00 pm**

A Member asked about the recommendations accepted by managers, those implemented and partially implemented querying the satisfaction level with the implementation rate and if anything could be done to encourage better implementation of recommendations. It was confirmed that all recommendation should be implemented. They are escalated to SLT, cascading down to DMTs and service managers.

The Deputy Chief Executive emphasised the importance of implementing recommendations and referred to some ongoing work to strengthen systems and provide oversight of the recommendations by the Internal Audit Teams, line management and responsible officers.

Regarding the Internal Audit Team, it was confirmed that the Council is exploring options for the Team in the future that may include wider collaborations that could take up to a year to implement. Referring to the Chief Internal Auditor post, it is unlikely that the existing shared arrangement with Newport City Council will continue. The Committee was thanked for its support to retain the Senior Internal Auditor post. Efforts will be made to appoint to this post as expediently as possible. The Committee was informed of the appointment of Jan Firtek to the Audit Manager post. Discussions continue to put in place some interim arrangements that may involve opportunities to act up.

The Deputy Chief Executive Officer wished the Chief Internal Auditor well in his new role and thanked him for his high level of support to the Governance and Audit Committee and service to the Council. The Chair reiterated the sentiments and the Chief Internal Auditor responded accordingly.

As per the recommendations, the Governance & Audit Committee considered the report, identified any concerns of non-implementation of audit recommendations and where appropriate considered requesting further explanations from operational managers as to why the implementation of actions has not been as productive as expected.

#### **11. Audit Wales Quarter 3 work programme and timetable.**

The Audit Wales Quarter 3 Work Programme and Timetable as at December 2022 was presented by the Audit Wales Officers. The update was noted.

#### **12. To note the Governance and Audit Committee Forward Work Plan.**

The Forward Work Plan in its new format was received. It was agreed that the programme need to be updated by the responsible officer to clarify what is intended to be brought forward for future meetings.

#### **13. To approve the minutes of the previous meeting held on 16th February 2023.**

The minutes of the previous meeting held on the 16<sup>th</sup> February 2023 were approved as an accurate record.

#### **14. To note the date of the next meeting as 15th June 2023.**

**Meeting ended at 4.40 pm**