

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Governance and Audit Committee held
at Council Chamber, County Hall, The Rhadyr USK on Wednesday, 10th July, 2024 at
2.00 pm**

PRESENT: Andrew Blackmore (Chairman)
County Councillor Tony Easson, (Vice Chairman, In the Chair)

Lay Members: Colin Prosser, Martin Veale, Rhodri Guest

County Councillors: A. Blackmore, C. Prosser, M. Veale,
R. Guest, Sara Burch, John Crook, Tony Easson, Phil Murphy
and Peter Strong

OFFICERS IN ATTENDANCE:

Peter Davies	Deputy Chief Executive and Chief Officer, Resources
Jan Furtek	Acting Chief Internal Auditor
Wendy Barnard	Democratic Services Officer
Charlotte Owen	Audit Wales Officer
Richard Jones	Performance and Data Insight Manager
Jonathan Davies	Head of Finance
Mike Corcoran	Group Auditor
Jason Williams	Senior Auditor

APOLOGIES:

County Councillor David Jones

1. Declarations of Interest

No declarations of interest were made.

2. Public Open Forum

No members of the public were in attendance.

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

The action list from the previous meeting was noted.

https://www.youtube.com/live/LwieRlowWwU?si=jFaJUo_59GlwxMqQ&t=69

1. Update on the 3 ISA260 recommendations: OPEN

4. MEDIUM TERM FINANCIAL STRATEGY 2024-2029

The Cabinet Member for Resources introduced the Medium-Term Financial Strategy 2024-2029. Following presentation of the report Members were invited to comment and ask questions. The Cabinet Member and Deputy Chief Executive and Chief Officer for Resources provided responses:

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Committee Members welcomed the first Medium Term Financial Strategy recognising the critical commitment to strengthening of the Council's financial management arrangements with the aim of further improving its financial sustainability.

Committee Members considered that the Financial Strategy provided a robust framework for understanding direction of travel, challenges and anticipated responses over time. The importance of codifying key assumptions and developing more sophisticated scenario modelling to highlight the range of plausible outcomes was explained.

Given that Members had previously expressed a desire for a more sophisticated approach to modelling and better visibility of assumption setting, it was noted that good progress had been made. Members suggested that further, slightly more extreme but nonetheless plausible downside scenarios be considered in future updates so as to more fully recognise and plan for adverse outcomes. Expectations are that public spending in the medium term is going to continue to be constrained and there is a need to be prudent when planning for the future.

In considering the Financial Strategy Delivery Plan, Members considered if there was a role for the Governance and Audit Committee in overseeing progress. It was concluded that six-monthly updates would be provided to the Committee to provide assurance in terms of progress.

As contained in the report recommendations, the Governance and Audit Committee:

- i. scrutinised the Council's proposed draft medium term financial strategy;
- ii. provided feedback and to allow for further comments to be considered and as necessary reflected in the final draft subsequently presented to Council for approval.

In scrutinising the strategy specific regard was given to the Committee's terms of reference that relate to the review and assessment of risk management, internal control, and corporate governance arrangements of the authority.

5. Draft Annual Governance Statement

The Acting Chief Internal Auditor introduced the draft Annual Governance Statement. Following presentation of the report, Members were invited to ask questions and responses were provided by the Deputy Chief Executive and Chief Officer for Resources and Acting Chief Internal Auditor:

<https://www.youtube.com/live/LwieRlowWwU?si=RE5P7mO4saHTybV-&t=4404>

As per the report recommendations:

1. The Governance & Audit Committee contributed to the appropriateness and content of the draft Annual Governance Statement (2023/24).
2. Considered the review of effectiveness and the assessment made against each of the governance principles.

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3. The Committee endorsed the Annual Governance Statement for inclusion within the Draft Statement of Accounts 2023/24.

6. Internal Audit Plan and Annual Report for Shared Resource Service (SRS)

The Head of Torfaen County Borough Council Internal Audit presented the Internal Audit Plan and Annual Report for the Shared Resource Service (SRS). Following presentation of the report, Members commented and asked questions:

<https://www.youtube.com/live/LwieRlowWwU?si=oVXrIGmluezumOd4&t=82>

Aligned to the report recommendations the Committee noted the overall opinion provided by the Torfaen Head of Internal Audit.

7. Governance and Audit Committee Annual Report 2023/24

The Vice Chair introduced the Governance and Audit Committee Annual Report 2023/24 and invited questions from Committee Members:

<https://www.youtube.com/live/LwieRlowWwU?si=eHLWvBiA9Li2R0dx&t=5317>

As contained in the report recommendations, the Committee concluded that it had discharged its responsibilities during the 2023/24 period and as a consequence the Council can be reasonably assured over its work, outputs and conclusion that the Authority's overall governance, risk and control arrangements are broadly effective. Notwithstanding this conclusion, these arrangements will likely need to continue evolving to reflect developments in its financial position and consequential changes to how the Council re-shapes its service delivery.

During the year, the Committee considered all material elements of the Council's governance, risk, financial control, and internal and external auditing arrangements. Given the critical importance of independent control assurance and effective financial management, the Committee has taken a keen interest in ensuring that the proposed target operating models (TOM) for the Council's Internal Audit and Central Finance functions were appropriate, and are being implemented promptly. It is the Committee's expectation that the TOM for these functions will have been substantively implemented by the Autumn.

In discharging its responsibilities the Committee has legitimately challenged officers over the design and operating effectiveness of its risk and control infrastructure with officers generally responding positively to these challenges.

The Committee endorsed the Annual Report for onward consideration by full Council.

8. Audit Wales Digital Review

Audit Wales Officers introduced the Audit Wales Digital Review and the Performance and Data Insight Manager presented the Management Response. Following presentation of the report, Members were invited to ask questions:

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https://www.youtube.com/live/LwieRlowWwU?si=T_49nRPKab93Lmxr&t=617

9. Governance and Audit Committee Forward Work Plan

The Governance and Audit Committee Forward Work Plan was noted.

<https://www.youtube.com/live/LwieRlowWwU?si=T7rK9q5zjgoTO91B&t=5342>

10. To approve the minutes of the previous meeting

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

<https://www.youtube.com/live/LwieRlowWwU?si=MaJJiKiWH4UI2leY&t=5389>

11. Date of Next Meeting: 31st July 2024

Meeting ended at 3.31 pm