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Wednesday, 7 December 2016

Notice of Reports Received following Publication of Agenda.

Audit Committee

Thursday, 15th December, 2016 at 2.00 pm,
County Hall, The Rhadyr, Usk, NP15 1GA

Attached are reports that the committee will consider as part of the original agenda but were submitted to democratic services following publication of the agenda.

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**Paul Matthews
Chief Executive**

Public Document Pack Agenda Item 4

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Audit Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 17th November, 2016 at 2.00
pm

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

County Councillors: A. Easson, D. Edwards, B. Hayward, B. Strong
and V. Smith

ALSO PRESENT: County Councillor V. Smith

OFFICERS IN ATTENDANCE:

Mark Howcroft	Assistant Head of Finance
Andrew Wathan	Chief Internal Auditor
Annette Evans	Customer Relations Manager
Wendy Barnard	Democratic Services Officer
Richard Jones	Policy and Performance Officer
Sian Hayward	Digital and Technology Manager
Tracey Harry	Head of People and Information Governance

APOLOGIES:

County Councillors P. Clarke, P. Murphy, P. Jordan and J. Prosser

1. Declarations of Interest

County Councillor J. Higginson declared a personal, non-prejudicial interest under the Member's Code of Conduct as a member of the East Wales Valuation Tribunal.

2. Public Open Forum

There were no members of the public present.

3. To confirm minutes of the previous meeting

The minutes of the Audit Committee held on the 15th September 2016 were confirmed as a correct record and signed by the Chairman.

4. Urgent Item of Business

The Chairman agreed to accept the following item of business in that it is a standing item that had been omitted from the agenda.

5. To note the Action List from 15th September 2016

We received the Action List from the meeting held on the 15th September 2016. In doing so, the following points were noted:

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- Chepstow School: The Chief Officer for Resources provided a summary of the response circulated to Committee Members regarding the issue raised by a member of the public, and questions raised by Councillor Easson.

The response regarding the first point regarding the reduction of FTE teaching posts at the school was accepted as satisfactory.

Regarding the decision to opt out of the HR services offered by the Authority in favour of engaging the services of Judicium Consulting Limited, a Member queried why two schools had decided on one company. It was added that whilst it was appreciated that Governors have the right to make such a decision, concern was expressed that this was gradual move towards academy status and a gradual erosion of the Authority's HR services which work very well with schools and members. It was suggested that the situation should be monitored.

With regard to the third point, the Member said that he was satisfied that remedial action had been taken and that appropriate advice had been provided for the future.

A Member queried if any savings have been made in the People Services Department given that two of the Authority's secondary schools had opted out of services.

In response to queries, it was explained that the resulting income shortfall is being managed internally adding that there are significant pressures on the People Services Team currently and savings are not being considered at this time. Members were made aware that there is a review of Corporate HR and also a review of the HR school support function. The latter in response to the decision of Chepstow School and Monmouth Comprehensive School to opt out.

Members were reminded that there are only two FTE HR Officers to provide support to the remaining secondary schools and all primary schools. It was explained that the purpose of the review is to explore if the service offered is fit for purpose, if the service is still offered, if schools want the service, and if the use of outside providers should be considered. The options will be considered in consultation with schools and conclusions will be drawn accordingly.

- Redundancy costs: The Chief Officer for Resources agreed to present the requested information at the next meeting, apologising that the report had been delayed due to pressures within the Payroll Team and added that a report will be presented to Cabinet to request investment in the Team.
- Non-domestic rates: The requested analysis was provided to the committee on the 21st September 2016. It was questioned what representations are being made outside the authority regarding the level of non-domestic rates in the County. In response to a query about increasing business rates, it was suggested that it would be appropriate for the Assistant Head of Finance (Revenues) to provide clarification regarding processes to facilitate rate valuations for private businesses separate to this meeting.
- Internal Audit Contract Procedure Rules – Exemptions: It was noted that this item would be considered at the next meeting as part of the regular six monthly review cycle.
- Internal Audit Charter: It was confirmed that the amendment requested at the last meeting, to specify two years as the review period, had been made.

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6. Presentation on Public Sector Internal Audit Standards (PSIAS)

Members received a presentation from Chief Internal Auditor on the Public Sector Internal Audit Standards (PSIAS).

The overall purpose of the PSIAS were explained as follow:

To provide assurance that the Chief Internal Auditor and Team are working in a professional, effective, efficient and consistent capacity.

To monitor compliance with standards through annual internal self-assessment together with external assessment every 5 years to ensure full compliance.

To report an audit opinion in an annual report to Audit Committee on the adequacy of the internal control environment, risk management and governance arrangements.

Following the presentation, Members were invited to make comments:

The essential nature of Internal Audit was acknowledged, and the link to the Wales Audit Office (WAO).

A Member thanked the Officer for the presentation, recognised that standards in the Authority are met and thanked staff accordingly.

Recognising the responsibility of Internal Audit to Senior Management and this Committee, it was queried whose responsibility it is to explain accountability to the Public. It was explained that the WAO will provide a view on individual authorities and will be in the public domain. It was explained that the role of Internal Audit is mainly to provide reassurance within the organisation. It was added that Chief Officers have Section 151 responsibilities to ensure good governance and stewardship, and to report any shortfall to the electorate.

It was added that Audit Committee reports are in the public domain including the annual report, unsatisfactory audit opinions and the externally audited accounts.

7. Corporate Assessment Follow-on Review - Information Technology

The Wales Audit Office (WAO) Report 'Information Technology – Corporate Assessment Follow-on Review' was presented. In doing so, it was noted that this report is on the Monmouthshire County Council website and therefore is available for members of the public to read.

It was concluded in the report that the Council has made progress in some areas, but the overall arrangements for managing IT services are disjointed and do not adequately allow the Council to demonstrate good governance, value for money or impact. The conclusions were drawn because:

- the Council has not yet developed a clear enough plan to implement its iCounty Strategy, and oversight arrangements need updating;
- the Council has made significant efforts to ensure that planned changes to IT service providers do not disrupt provision of its IT services, but the arrangement with the SRS is not underpinned by formal agreements;
- due to the lack of a Social Care and Health Directorate risk register, the Council cannot be assured that risks to the Flo system are appropriately escalated; and

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- the Council has a number of initiatives to improve the effectiveness of its IT services, but it is unclear how these will help it measure and demonstrate impact.

In response, the following proposals for improvement were made whilst recognising progress made and also to reflect emerging issues:

- P1 Review and revise the iCounty Business Plan for 2016-2019 by setting out clear and measurable actions to enable senior managers and members to effectively monitor and manage progress of its implementation.
- P2 Review membership of the Digital Board following changes in software provider to ensure no conflicts of interest.
- P3 Negotiate and agree commercial grade Service Level Agreements with SRS in advance of new organisations joining the partnership to support sound governance, and to enable the Council to measure service delivery, and assure itself that its IT needs continue to be met.
- P4 Complete the database of systems used by the Council, identifying information such as contract details, costs, and the comments of the system owners, to support the Council in its strategic management of IT resources.
- P5 Review the Council's risk management arrangements to assure itself it manages risks consistently across directorates and identifies, escalates, and addresses risks in a timely and appropriate way.

The Policy and Performance Officer presented the Management Response referring to the Council's actions to respond to the proposals for improvement and a plan of future actions. It was added that some are in progress and it is considered that arrangements are already in place for P2 and P4.

The Head of Digital summarised that with regards to:

- P1, a review and revision of the iCounty business plan is in progress, as planned, and there is acceptance that there is a need to further develop data and indicators.
- P2, it was confirmed that the County does not have a software provider of choice but has a number of delivery agents. In particular, it was confirmed that CMC² was engaged for one specific project and that was why they were represented on the Digital Board. A review of the overall arrangements for the authority's Programme Boards (People Board, Place Board and Digital Board) is in progress as part of the Future Monmouthshire initiative to ensure that they are fit for purpose. No review of the membership of the Digital Board is considered necessary at this time. Further details of the work of the Programme Boards was provided. It was confirmed that Elected and Cabinet Members sit on each of the Programme Boards.

In response to a question, the difference between the Digital Board and the SRS was explained that the SRS is the technology infrastructure provider. It also is a services provider to other authorities e.g. provides and maintains all equipment/systems. The Digital Board monitors this authority's internal digital strategy and SRS involvement. It

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was confirmed that there are several partners including Monmouthshire County Council, Torfaen County Borough Council, Blaenau Gwent County Borough Council and Gwent Police. The SRS is owned by all partners. The Officer confirmed that Monmouthshire CC has its own digital direction which feeds into and aligns with overall SRS strategy.

- P3, it was confirmed that there is a working party to assess this aspect and it is accepted that a commercial grade SLA is required. In the interim, performance is measured by a Performance Board attended by all partners. Performance is measured against an agreed set of standards.
- P4, this is not accepted. It was explained that there is already a database of the council's systems, which includes contract details, costs and system owner comments. The database is used to facilitate collaboration with other local authorities on future digital direction, how to combine systems and to maximise economies of scale to inform future decision making. It was explained that other partners are currently completing a similar database.
- P5, it was explained that the Risk Management Policy was last reviewed in March 2015. There is a risk log in place to identify and manage high and medium level strategic risks. Lower level strategic and operational risks are managed by Service Improvement Plans or project specific risk registers to identify and manage risks within existing governance arrangements. Under the provisions of the Wellbeing of Future Generations (Wales) Act 2015, it is not just risks to services that are monitored but also risks facing communities, countywide and longer term risks.

In answer to the Management Response to P2, a WAO Officer clarified that the purpose of the review regarding membership of Digital Board was to reflect the change that CMC² is no longer involved.

Regarding P4, it was emphasised that this proposal was based on a snapshot in April 2016. When the database was demonstrated, it was incomplete as FLO (social care app) wasn't included. The recommendation, therefore was to complete the database. This point was accepted as FLO was at project management stage and had only gone live a few weeks previous. This was the only element that was missing from the database.

It was clarified that the SRS was set up under a Memorandum of Understanding Agreement and is non-profit making. It is an amalgamation of all participating local authority ICT departments, noting that Blaenau Gwent County Borough Council have recently joined and Newport City Council are in discussions. The SRS provides the ICT infrastructure including all Wi-Fi enablement, all equipment, staff and services. It was confirmed that MCC pays for the service provided and monitors performance. It was emphasised that the Council's digital strategy is not driven by the SRS. The Council manages its strategy in collaboration with other local authority partners, within the governance arrangements in place. It was added that the SRS is visited by the team on a weekly basis, informal board meetings are held with respective partners and also formal board meetings with Elected Members.

It was queried, if it is a partnership, why MCC is solely implementing iCounty and why the software is not common to all partners. It was explained that each of the local authorities has its own digital direction with different priorities. There is a common infrastructure e.g. same Wi-Fi, some use the same telephony systems and all have Microsoft Enterprise agreements managed by SRS and added that more collaboration is welcomed in the future. It was explained that the SRS assists the establishment of common systems and does not control five sets of completely separate infrastructures.

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In response to a question, it was confirmed that the SRS provides the hardware and some common software; each partner also has its own software arrangements. It was emphasised that more collaboration is welcomed to produce efficiencies in the way work is undertaken across the whole partnership. Additionally, each partner will retain its own priorities as well.

In response to a question, a WAO Officer explained that the 2015 Corporate Assessment formally raised the matter of how IT arrangements were progressing within the authority. It was explained that the collaboration to form the SRS was initiated with involvement from Welsh Government; the WAO was therefore interested in progress. It was explained that contractually, SRS is a legal entity with a Memorandum of Understanding. CMC² provided the council with one piece of software (FLO). In the absence of CMC², FLO is now supported and maintained by SRS. It was clarified that SRS is the Council's ICT providers and that CMC² provided software not ICT infrastructure.

In response to an enquiry about the need for more scrutiny by elected members in addition to Cabinet Members, the WAO Officer explained that proposal P2 was made to ensure membership of the Digital Board is appropriate.

The Chair clarified that a request for a further reports must be properly submitted as a motion for a future meeting.

The WAO Officers were thanked for their attendance and responses.

8. Whole Authority Complaints, Comments & Compliments Report

The Customer Relations Manager presented the Whole Authority Report 2015/16 to provide Audit Committee with information on the number and types of complaints, comments and compliments received and dealt with from 1 April 2015 until 31 March 2016. The report also provided a summary of the number of Freedom of Information Act (FOI) requests received by the Council during this period.

Following presentation of the report, Members were invited to comment.

A Member enquired about a concern raised about staff behaviour during refuse collection. It was confirmed that if a member of staff can be identified, the matter would be dealt with accordingly.

A Member asked if political researchers could be charged for Freedom of Information Requests. It was explained that it is possible to charge for any requests that take over 18 hours to prepare an answer, and confirmed that the charge only covers the photocopying costs.

9. Half Yearly Treasury Update

Members received the Half Yearly Treasury Update and were reminded that the Audit Committee has an opportunity annually to inform Treasury strategy prior to recommendation to County Council. It was explained that the report was six month feedback to provide reassurance that nothing of concern has occurred in the first half of the financial year in terms of the tolerances applied to treasury management.

The Committee's attention was drawn to an amendment to the report on p.7 altering £59m to £59,000.

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Following presentation of the report, questions were invited.

The report was received with thanks.

10. Internal Audit Progress Report 2016/17 - Quarter 2

The Chief Auditor presented the Internal Audit Progress Report referring in particular to the appendices that detailed the work undertaken and recommendations for improvements.

The Chief Auditor was thanked for his report.

11. Unsatisfactory Audit Opinions

The Chief Auditor presented a six-monthly update to report unsatisfactory audit opinions.

Following presentation of the report, Members were invited to ask questions.

In response to a query about the definition of unsatisfactory, it was confirmed that opinions can be good, reasonable, unsound or unsatisfactory based on the number of strengths and weaknesses identified in the audit review. Any weaknesses identified are further defined according to whether it is a significant or less significant weakness which will distinguish if it is a high, medium or low risk. A point system is then used to calculate a rating number that is assigned to a range of predetermined opinions. If identified as unsatisfactory, the strengths and high/medium or low risk weaknesses are combined to reach an unsatisfactory opinion; generally this indicates that there are more weaknesses than strengths. In borderline cases, the auditor will take a view which will then be reviewed by the manager and agreed through further discussion.

The Chair confirmed that items c-f on p.93 had been discussed previously and that a follow up report was awaited.

It was queried how far school meals had been investigated. It was confirmed that this was the first report and a category of **Limited** opinion was defined as a result of a review of the process for school meals against a comprehensive audit programme. Key issues to be addressed were identified.

It was confirmed that there had been no follow up meeting with Magor Church in Wales VA Primary School, to date but a further audit would be undertaken in 2016/17.

The report was welcomed and duly noted.

12. Review of MRP

A report was presented to review the Council's Minimum Revenue Provision (MRP) in relation to supported borrowing.

It was explained that this matter is a Council decision. In view of the Audit Committee's role in informing treasury strategy, the report will be amended to reflect its view prior to consideration by Council. It was noted that the report was compiled in conjunction with Arlingclose (Treasury Advisors). WAO has also confirmed that the report is satisfactory and reflects amendments in relation to previous feedback provided.

Following presentation of the report, queries and observations were invited.

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A Member expressed concern that the Committee was being asked to endorse the report prior to consideration by Council and commented that the approach proposed is passing on a higher proportion of debt repayment to future generations, who will be paying for, but not benefiting from out of date improvements, and offered the opinion that debts should be repaid in the traditional way.

The Officer agreed to compose an addition to the report to Council to provide both the general audit committee view and the specific comments made.

It was suggested that the Officer should be more explicit why the annuity model was chosen for unsupported borrowing, and a different model proposed for supported borrowing.

13. Quarterly Monitoring of Reserves - Quarter 2

A report was received to appraise Members of the prospective reserve usage in conjunction with highlighting the revised reserves protocol endorsed by Cabinet in July.

It was explained that the purpose of the report is to ensure that Members are better aware of levels of reserves when making financial decisions and will now be a regular Audit Committee agenda item accordingly.

Following receipt of the report, comments were invited.

A Member commented that the lower level of reserves (4.2%) has occurred previously.

A Member disputed the category of 'earmarked reserves' where there was no definite plan for future expenditure, commenting that money was being put aside for unknown spending. It was queried why the general reserve (increased to 7-8%) was not used instead to avoid the element of uncertainty and provide better transparency. It was confirmed that the term 'earmarked reserves' is an accounting term used when it is known that there will be a liability and it is necessary to apportion some reserve funding when future costs aren't known. It was suggested that if amounts are known they should be included under a specific budget investment heading.

It was suggested that reserves should be considered as a combined amount.

The report was accepted and the Outturn Forecast report noted.

14. People Services Annual Report & Workforce Plan

We received the People Services Annual Report for information and questions were invited.

It was queried why the report was presented to this Committee. The Chair commented that it was appropriate for the Audit Committee to consider the report as much of the information provided was in relation to commonly raised questions. It was advised that the report had been considered by Cabinet and Strong Communities Select Committee.

A Member referred to a report due to be presented to Audit Committee regarding part time and zero hours contracts. This was confirmed and reassurance was provided that the Council does not issue zero hour contracts in favour of contracts for casual hours. It was explained that some of the public concern regarding zero hours contracts was to do with circumstances when employers have made it a condition that an employee doesn't work for another organisation. It

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was added that when casual hours are offered by the Council, the offer of work can be turned down or taken up as desired.

A Member queried the total number of employees, the availability of comparison with previous years and if the reduction in employees is causing a problem with particular reference to the high number of days lost to sickness absence. It was confirmed that the number of employees with comparisons to future years will be included in this report going forward. It was also confirmed that wellbeing and management of attendance is a priority. The policy is being revised and will provide a tool kit to support both managers and employees.

The report was welcomed.

15. Forward Work Programme

The Forward Work Programme was received. It was agreed that the following matters should be added:

- Zero hours contracts
- Contract Procedure Rules exemptions
- Deferral of implementations of audit recommendations

The Chair expressed a preference for the Forward Work Programme to plan further ahead than is currently so.

16. To confirm the date and time of the next meeting as 2.00pm on Thursday, 15th December 2016

The date and time of the next meeting was confirmed as Thursday 15th December 2016 at 2.00pm in County Hall, The Rhadyr, Usk, NP15 1 GA.

The meeting ended at 4.30 pm

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Agenda Item 5

Audit Committee Actions 15th September 2016

Agenda Item:	Subject	Officer	Outcome
Agenda Item 5 (Action list)	Redundancy Costs	Peter Davies	Report for next meeting
Agenda item 5 (Action list)	Internal Audit Section Contract Procedure Rules - Exemptions	Andrew Wathan	The Committee to receive an update report in December and then six monthly.
Agenda Item 5 (Action List)	Non-domestic rates	Ruth Donovan	Clarification of processes to facilitate rate valuation for private businesses
Agenda Item 12	Minimum Revenue Provision (MRP)	Mark Howcroft	Add Committee views to County Council Report - completed

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SUBJECT	Progress Report: Wales Audit Office Proposals for Improvement
MEETING:	Audit Committee
DATE:	15th December 2016

1. PURPOSE

To provide Audit Committee with an update on the authority's progress against the Wales Audit Office (WAO) proposals for improvement up to the end of November 2016.

2. RECOMMENDATIONS

That members consider the current position of proposals and future actions committed in response to the proposals and identify any areas where they feel further action needs to be taken or further information is required.

3. KEY ISSUES

- 3.1 Proposals for improvement are made by the WAO as advice to support the authority's development. These are distinct from statutory recommendations that require the authority to set actions in response within 30 working days of their receipt.
- 3.2 The proposals included in the report are those issued to the Council as a result of regulatory work conducted by the WAO in the authority. The specific WAO reports which have instigated the proposals are referenced in the update. This update contains proposals from and after the Corporate Assessment completed by Wales Audit Office in March 2015 as this is the most recent comprehensive assessment of the council covering: vision and strategy; governance and accountability; use of resources; collaboration and partnerships; managing improvement; and performance and outcomes.
- 3.3 During 2016 a number of audits have been completed by WAO: Including a Financial Resilience Assessment 2015-16 and Corporate Assessment follow-on reviews on Performance Management, Governance, Human Resources and Information Technology, all of which have already been reported to audit committee, with the exception of the Human Resources report which is due to be published shortly. The proposal from this work and the council's response have been included within this update, with the exception of the proposals from Information Technology report as these have only recently been published.
- 3.4 The latest Annual Improvement report (AIR) published in August 2016 summarises the audit work undertaken by WAO since the last report was published in November 2015, the report is available to download on the Wales Audit Office website (www.audit.wales/publications) and concludes: "Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the council will comply with the requirements of the measure during 2016-17 provided it continues to maintain the current pace of improvement."
- 3.5 Each proposal update highlights:

- The specific proposal, or more than one proposal if they are closely linked.
 - The progress made up to November 2016 to address the issues identified by the proposal.
 - Whether the status of the proposal is to remain “open” or be “closed” if the evidence of progress suggests it has been sufficiently addressed.
 - Any further actions that will be taken to address the proposal.
- 3.6 The proposals made by WAO are grouped into the following areas:
- a. Human Resources
 - b. Performance Management
 - c. Partnership & collaboration
 - d. Governance
 - e. Finance
- 3.7 WAO also make recommendations that may be relevant to the council in local government national reports. Although these have not been issued directly to the council, like the other proposals, the relevant recommendations from the national reports issued in 2015-16 that were included in the WAO Annual Improvement Report 2015-16, have been included in this update to ensure that members are aware of the reports and who is the lead for the areas covered by the reports.
- 3.8 Some of the forward looking actions committed by the authority are likely to be reflected within other council strategic documents such as the council’s Improvement Plan, the Whole Authority Strategic Risk Assessment and the Medium Term Financial Plan.
- 3.9 WAO as part of their ongoing annual audit work programme may follow up progress in any of the open or recently closed proposal areas.
- 4. REASONS**
To ensure the authority responds to the WAO proposals to secure the improvements required.
- 5. RESOURCE IMPLICATIONS**
Finances and any other resource implications of activity related to the proposals will need to be taken into account by the relevant responsibility holders.
- 6. AUTHORS**
Richard Jones, Policy and Performance Officer
Matthew Gatehouse, Policy and Performance Manager
- 7. CONTACT DETAILS:**
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Human Resources proposals

WAO Proposal	Engage more effectively with staff to ensure the Council's values are clearly evident across the organisation.			Status	Open
Report	Corporate Assessment – November 2015				
What progress have we made	<p>A progress report for the People and Organisational Development Strategy was presented for Member scrutiny in March 2016, which included progress on the action plan of the strategy and a programme plan for 2016 – 2017, delivery of the People and organisational development strategy has been agreed.</p> <p>MonTalks and MonDelivers talks have been introduced to share insights, information and updates on a variety of aspects of the Council's work, the most recent session was on the work the council is undertaking as part of the Well-being of Future Generations Act.</p> <p>Action has been taken to feedback from the staff conference and staff survey, while the People board continue to live stream question and answer sessions.</p>				
Further action planned	Desired Result	Action	Responsible Officer	Timescale	
	Delivery of actions to provide support and development for people in the organisation.	Deliver the actions in the programme plan of the People and Organisation Development Strategy which brings together the many facets of people and organisational development we run.	Head of People and Information Governance	May 2017	
	More engagement with staff on specific issues in their directorate.	Establish directorate level staff conferences	SLT	Ongoing	

WAO Proposal	Ensure that the planned revisions and changes made to 'Check In Check Out' deliver a clear process of assessing and improving the performance of all staff and that department, team and individual objective setting is in line with the Council's corporate objectives.			Status	Open
Report	Corporate Assessment – November 2015				
What progress have we made	<p>Based on feedback received, the Check in Check out process has been reviewed and rolled out with training sessions on the revised process held via Talent Lab. The annual report recognised that improvements in the Check in Check out employee appraisal process were required and steps have been taken to address this including implementing more robust guidance, video tutorials and supportive training.</p> <p>In 2015/16 reported data shows 54% of staff completed an appraisal, although the actual figure is likely to be higher than this due to the need to further develop the recording process and is therefore at present not capturing all data in the most effective way. Recognising this, work is underway to investigate the possibility of developing a longer term more effective recording module that would allow managers to record the CICO directly into an employee's record on the Human Resources system. This would allow for all employee data to be stored in one place and enable direct access to reports from the system identifying completion rates, training needs (which would automatically be fed through to the training team) and track progress on any actions agreed. While this longer term work continues, a basic interim reporting system is in place at the current time to provide clear data on completion rates of appraisals in 2016/17.</p>				
	Desired Result	Action	Responsible Officer	Timescale	

Further action planned	Check-in, Check-out is well understood, consistently employed and informs staff development	Continue to roll out, increase understanding and maximise completion of the check-in, check-out process	Head of People and Information Governance	March 2017
	We are able to evidence that staff are receiving appraisals	Implement a new Check in Check out Check out recording module.	Head of People and Information Governance	April 2017

WAO Proposal	Develop the Council's workforce planning arrangements by including accurate data and key management information around workforce issues and statistics, reporting regularly to Senior Leadership and Management Teams to enable effective monitoring of progress and management of these issues on an ongoing basis.	Status	Open
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Report	Corporate Assessment – November 2015
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What progress have we made	<p>To support workforce planning a workflow has been developed to enable service leaders to effectively focus on succession and workforce planning. The combination of the workflow and the coded pathways for development will help leaders foster the behaviours and skills needed to take a proactive and forward thinking approach to maintaining their teams and services and also provide colleagues with clear channels of training to progress in their careers.</p> <p>People Services Data Dashboards covering key workforce information continue to be available on the council's intranet. To further improve the analysis and reporting of this information quarterly scorecards known as "risk radars" are being implemented for reporting to Department Management teams and Senior leadership team in order to drive effective decision making based on workforce information.</p> <p>In May 2016 Cabinet agreed to commission a strategic programme of whole-authority work called 'Future Monmouthshire' that will see the development of a new operating model for the Council in order to equip it to meet its goals amidst increasing change and uncertainty. The new operating model will have a clear purpose: to create solutions to some of the county's biggest challenges and will facilitate work on articulating future workforce requirements.</p>
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	Desired Result	Action	Responsible Officer	Timescale
Further action planned	Workforce statistics are available at team level in a timely manner	Continue to develop accurate and robust systems, data and reporting to ensure a clear baseline of people and organisational data to Managers	HR Manager	Ongoing
	Effective monitoring of workforce issues	To continue to produce a People Services Annual Report and implement quarterly scorecards to DMTs, SLT and Members as required	Head of People and Information Governance	Ongoing
	A sustainable business model is in place	Develop the future business model for the authority	Chief Executive	To be informed by Future Monmouthshire
	Clarity on the future shape of the workforce	Use this business model to articulate the future workforce requirements of the authority including numbers of staff and skills needed	Head of Resources	To be informed by Future Monmouthshire

Performance Management proposals

WAO Proposal	Improve performance management arrangements by: <ul style="list-style-type: none"> • ensuring planned improvements are tangible; • improving target setting to better reflect desired improvement and ensuring resources are allocated to deliver Council priorities through the Medium Term Financial Plan; • developing arrangements to identify intended outcomes, targets and data collection arrangements when services are being delivered through alternative models; 			Status	Open
Report	Corporate Assessment – November 2015				
What progress have we made	<p>The Stage 1 Improvement Plan 2016-17 was published in consideration of the areas for improvement identified by Wales Audit Office and the public consultation. Clear and robust targets that articulate the ambition of the council were included in the plan. Wales audit office issued a certificate of compliance following their audit of the plan.</p> <p>A training session on target setting is being developed.</p> <p>It is recognised that there is a particular difficulty in developing performance data measures and targets and risks to data quality when setting up new policies, initiatives or arrangements. These areas will be particularly targeted for policy and performance team support.</p>				
Further action planned	Desired Result	Action	Responsible Officer	Timescale	
	Stretching, realistic and robust targets	Strengthen target setting arrangements and revise and recirculate target setting guidance	Policy and Performance Manager	March 2017	
	Clarity of outcomes and arrangements when services are being transformed	Implement a more robust approach to policy development to ensure services are based on clear design principles and data.	Policy and Performance Manager	Ongoing	

WAO Proposal	Improve strategic planning by: <ul style="list-style-type: none"> • ensuring clear links between strategies and agreed priorities; and • developing cohesive strategies to underpin and support robust decision making. 			Status	Open
Report	Corporate Assessment – November 2015				
What progress have we made	<p>In May 2016 Cabinet agreed to commission a strategic programme of whole-authority work called 'Future Monmouthshire'. This work will see the development of a new operating model for the Council in order to equip it to meet its goals amidst increasing change and uncertainty. The new operating model will have a clear purpose: to create solutions to some of the county's biggest challenges.</p> <p>This work on the future shape of the organisation will facilitate a review of the council's key delivery strategies (Improvement Plan, MTFP, People Strategy, Asset Management Plan and iCounty) and service planning arrangements to ensure they all align to the business model.</p>				
Further action planned	Desired Result	Action	Responsible Officer	Timescale	
	A sustainable business model is in place	Develop the future business model for the authority	Chief Executive	To be informed by Future Monmouthshire	

	Key strategies are mutually supportive and aligned to the business model	Ensure the council's key delivery strategies (Improvement Plan, MTFP, People Strategy, Asset Management Plan and iCounty) and service plans all align to the business model.	SLT	To be informed by Future Monmouthshire
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WAO Proposal	Improve performance management arrangements by: • improving data quality arrangements to ensure that performance reporting is accurate and that decisions are made based on robust information.		Status	Open
	Ensure accurate data collection and reporting.			

Report	Corporate Assessment – November 2015 & Performance Management – Corporate Assessment Follow-on Review – July 2016			
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What progress have we made	<p>The data quality process continues to be strengthened and was amended in 2016 to take account of previous audit feedback and allocate Internal Audit time on the data system producing the data as well as the data outputs.</p> <p>Internal guidance notes on completing national and local performance indicators are produced setting clear requirements for data compilers. There is continued support from the Policy and Performance team with a specific and clearly defined role for Internal Audit to quality assure data. In 2016 The audit of nationally set indicators has been given a draft internal audit control rating of "Considerable assurance".</p> <p>It is recognised that there is particular risk to data quality, including target setting, when developing performance data measures for new policies or initiatives that may not have been subject to data quality processes previously. These areas will be particularly targeted for policy and performance team support.</p>			
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	Desired Result	Action	Responsible Officer	Timescale
Further action planned	Accurate performance data	Continue to strengthen the data quality process using external and internal audit feedback and liaise with Internal Audit to allocate their time to identified risks in data quality arrangements	Policy and Performance Manager	May 2017

WAO Proposal	Develop a high-level, strategic approach linking the Council's sustainable development principle duties under the Act to its strategic vision, overall direction of travel and the developing local well-being plan under the Well-being of Future Generations (Wales) Act 2015.		Status	Open
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Report	Performance Management – Corporate Assessment Follow-on Review – July 2016			
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What progress have we made	<p>The council has now adopted a new sustainable development policy and incorporated this into its policy framework, which will ensure greater alignment of future programmes to the Well-being of Future Generations Act. During 2016-2017 we are undertaking two substantial assessments of need and wellbeing within the county as a consequence of the Wellbeing of Future Generations Act and the Social Services and Well-being Act. The information that is gained during this work will provide a much deeper evidence base and inform the development of the council's well-being objectives by 31st March 2017 and will form the basis of a high level strategic approach to fulfil our duties under the Act.</p>			
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	Desired Result	Action	Responsible Officer	Timescale
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Further action planned	Wellbeing objectives that are in line the sustainable development principles duties under the Act and the Council's improvement framework.	Publish the council's wellbeing objective in line with the act.	Policy and Performance Manager	March 2017
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WAO Proposal	Demonstrate clearly the links between the Council's strategies and service plans to show how actions will deliver its strategic targets and outcomes.			Status	Open
Report	Performance Management – Corporate Assessment Follow-on Review – July 2016				
What progress have we made	<p>In May 2016 Cabinet agreed to commission a strategic programme of whole-authority work called 'Future Monmouthshire'. This work will see the development of a new operating model for the Council in order to equip it to meet its goals amidst increasing change and uncertainty. The new operating model will have a clear purpose: to create solutions to some of the county's biggest challenges.</p> <p>This work on the future shape of the organisation will facilitate a review of the council's key delivery strategies (Improvement Plan, MTFP, People Strategy, Asset Management Plan and iCounty) and service planning arrangements to ensure they all align to the business model.</p>				
Further action planned	Desired Result	Action	Responsible Officer	Timescale	
	A sustainable business model is in place	Develop the future business model for the authority	Chief Executive	To be informed by Future Monmouthshire	
	Key strategies are mutually supportive and aligned to the business model	Ensure the council's key delivery strategies (Improvement Plan, MTFP, People Strategy, Asset Management Plan and iCounty) and service plans all align to the business model.	SLT	To be informed by Future Monmouthshire	

WAO Proposal	Set out clearly the financial implications of the Council's service changes within its service improvement plans.			Status	Open
Report	Performance Management – Corporate Assessment Follow-on Review – July 2016				
What progress have we made	Service Improvement Plans already have a column to indicate where costs will be met from. These plans are not used by elected members to make decisions and more detailed cost information would need to be provided prior to a decision of Cabinet or Council. Service improvement planning guidance for managers will be revised to ensure clear requirements on completing financial implications of actions are identified in service improvement plans.				
Further action planned	Desired Result	Action	Responsible Officer	Timescale	
	The Council will understand the cost of delivering service improvement plans during the decision making process.	Revise service improvement planning guidance to include clear requirements on completing financial implications of actions identified in service improvement plans	Policy and Performance Manager	March 2017	

Partnership and collaborative working proposals

WAO Proposal	Adopt a more planned, risk-assessed approach to partnership and collaborative working to make better use of resources.			Status	Open
Report	Corporate Assessment – November 2015				
What progress have we made	<p>In May 2016 Cabinet agreed to commission a strategic programme of whole-authority work called 'Future Monmouthshire'. This work will see the development of a new operating model for the Council in order to equip it to meet its goals amidst increasing change and uncertainty. The new model will help inform planning for any further partnership and collaborative working.</p> <p>A community governance review has been completed. A cross party Member working group was established and met to discuss the proposal. The proposals have been presented to all area committees and the strategic transport group.</p>				
Further action planned	Desired Result	Action	Responsible Officer	Timescale	
	A sustainable business model is in place.	Develop the future business model for the authority.	Chief Executive	To be informed by Future Monmouthshire	
	Clarity of outcomes and arrangements when services are being transformed	Implement a more robust approach to policy development to ensure services are based on clear design principles and data.	Policy and Performance Manager	Ongoing	
	Structures clarified and processes aligned to delivery frameworks to support community governance.	Present the Community Governance proposals to full Council for decision	Head of Community Delivery	December 2016	

WAO Proposal	Further develop and embed performance management arrangements to allow the Council to hold partners to account and to support the Local Service Board to deliver its plans.			Status	Open
WAO Proposal	Ensure new Public Service Board (PSB) delivery plans clearly set out relevant actions and resources needed to deliver shared priorities so that each partner, including the Council, is clear what is expected of them.			Status	Open
Report	Corporate Assessment – November 2015 and Performance Management – Corporate Assessment Follow-on Review – July 2016				
What progress have we made	<p>The LSB has been transitioned to a Public Service Board (PSB) as part of the implementation of the Future Generations Act. A PSB select committee has been established and is scrutinising the formation of the PSB and membership, resourcing of PSB support and development of the wellbeing assessment. Training has been held for Select Committee members on their responsibilities and the PSB select committee members on their specific responsibilities in relation to the PSB.</p> <p>Partnership delivery has been reviewed to ensure alignment of delivery against the SIP and any statutory duties discharged through LSB. Partnerships are still working towards the SIP but are now taking a more focussed approach on emerging issues and responding to them collectively as a partnership. These are reviewed at each partnership meeting to check on progress against the actions and agree any further action, if required. The Strategic Partnership Team will continue to work with partners to strengthen the clarity of plans and monitoring of progress.</p> <p>In the medium term the development of the PSB's wellbeing plan by March 2018 will require the PSB to allocate and prioritise resources to meet their wellbeing objectives and establish clear plans to achieve this. The PSB has adopted childhood obesity as a priority and is developing its approach to tackling it.</p>				

	Desired Result	Action	Responsible Officer	Timescale
Further action planned	Performance of partnerships delivering under the PSB and SIP is evaluated.	To complete the current round of the SIP (Single Integrated Plan) performance group sessions	LSB development manager	January 2017
	Action plans that support the delivery of PSB priorities	Continue to work with partners to strengthen the clarity of existing delivery plans and monitoring of progress.	LSB development manager	March 2017
	Clear PSB wellbeing objectives allowing the PSB to allocate and prioritise resources to meet the objectives and establish delivery plans to achieve this.	Develop the PSB's wellbeing plan	LSB development manager	March 2018

Governance proposals

WAO Proposal	Strengthen the governance and challenge arrangements by: <ul style="list-style-type: none"> ensuring that minutes of meetings are signed at the next suitable meeting in accordance with the Council's Constitution to improve timeliness and transparency of public reporting; and reconsider the Council's policy of not formally minuting Cabinet meetings 		Status	Open
Report	Corporate Assessment – November 2015			
What progress have we made	<p>The Modern Gov system has been implemented since September 2015 which is speeding up the process and increasing Democratic Service officer's capacity to process minutes for sign off within required timescales. Further development of Modern Gov will allow officers to create items on work planners and upload reports directly for meetings, which will further improve democratic services officer capacity to process minutes and also support officers in developing reports. Sample checks will continue to be carried out at busy periods to provide monitoring that this is happening.</p> <p>All cabinet meetings are live streamed, all reports are available on the council's website and a decision-log is published on the website following each cabinet meeting detailing the decisions that have been made which include any amendments made to the proposed decision. Not publishing minutes for Cabinet has been a longstanding practice of the council which has raised no issues of transparency and openness in the decision making process and the council does not have any plans to change this process for recording decisions at cabinet.</p>			
Further action planned	Desired Result	Action	Responsible Officer	Timescale
	Timely and transparent public reporting	Ensure sign off of minutes of committee meetings and carry out sample checks to provide monitoring	Local Democracy Manager	Ongoing
	More efficient processes and timely and clear reports for members	Implement the latest development of Modern Gov and members and officers advice and guidance areas on the intranet.	Local Democracy Manager	From January 2017

WAO Proposal	Further improve the clarity of reports that members receive to ensure they have access to appropriate and timely information in a format that is easy to read and understand.				Status	Open
Report	Governance – Corporate Assessment Follow-on Review – June 2016					
What progress have we made	<p>The scrutiny manager continues to work with department management teams, as required to improve the quality of reports, this remains an area for continued focus.</p> <p>The Modern gov system has been further developed to utilise functionality that allows officers to access the system to create and upload reports directly to the system for meetings. This is accessed on the Council's intranet where sections for officers and members are also being established to provide a range of information and guidance on the Council's meeting process to support officers writing reports and members to receive information they need. The ability for officers to largely manage work planner items and upload reports for agenda circulation directly will help facilitate time to support officers in developing reports. The latest development of the system will be presented to SLT approval.</p>					
Further action planned	Desired Result	Action	Responsible Officer	Timescale		
	Better informed members leading to more robust challenge and decision making.	Continue to work with and train report writers to ensure the content of reports and presentations is clear and pitched correctly	Scrutiny Manager & Policy and Performance Team	March 2017		
	More efficient processes and timely and clear reports for members	Implement the latest development of Modern Gov and members and officers advice and guidance areas on the intranet.	Local Democracy Manager	From January 2017		

WAO Proposal	Ensure that decisions are clearly and consistently recorded to provide a reliable, transparent and easily accessible decision-making trail.				Status	Open
Report	Governance – Corporate Assessment Follow-on Review – June 2016					
What progress have we made	<p>The Modern Gov system has been used since September 2015, further functionality of the system has continued to be implemented including the documentation of agendas, reports, minutes and decision logs on the Council's website making these more easily accessible for the public.</p> <p>The implementation of further functionality of modern gov system will include a work flow for all reports available on the website. This will provide a record of the meetings the report has been sent to through the decision making cycle and the outcome of the meeting without the need to access each individual meeting. The latest development of the system will be presented to SLT for approval.</p>					
Further action planned	Desired Result	Action	Responsible Officer	Timescale		
	More efficient processes and timely and clear reports for members	Implement the latest development of Modern Gov and members and officers advice and guidance areas on the intranet.	Local Democracy Manager	From January 2017		

WAO Proposal	Strengthen scrutiny's impact, status and effectiveness including:				Status	Open
	<ul style="list-style-type: none"> • formally recording Cabinet responses to scrutiny recommendations and observations; and • better co-ordination of Cabinet and select committee forward work programmes. 					
Report	Governance – Corporate Assessment Follow-on Review – June 2016					

What progress have we made	<p>Formalised reporting of scrutiny's recommendations to Cabinet Members has been established through the drafting of Chairs letters. Development is underway working with Scrutiny Chairs and Cabinet Members to ensure that Cabinet Members draft formal responses to Chairs Letters, to be formally reported at Select Committee meetings under agreement of the work programme. This will ensure that responses made to scrutiny's recommendations can be evidenced, ensuring accountability and transparency.</p> <p>The Scrutiny manager is working closely with Democratic Services to ensure chairs' summaries are captured in Select Committee minutes and a record of scrutiny's conclusions and recommendations are now formalised in a regular report to Cabinet.</p> <p>The implementation of further functionality of modern gov system also allows officers to populate forward planner items directly into the system. The planner has been amended to request further information that needs to be included on the plan, for example details on the "type of decision" required. This will automatically generate individual forward planners for meetings as well as a whole council forward plan that shows all meetings the report will be sent to. These will be available to officers, members and the public on the website and intranet. The latest development of the system will be presented to SLT for approval.</p> <p>Democratic services officers and the Scrutiny manager continue to attend meetings of Senior Leadership Team and Departmental Management Teams as necessary to discuss the cabinet and select committee forward work planner. Meetings have been held at the start of the year with some of the key chief officers to identify issues for future scrutiny at an early stage and to assist officers to provide clear and concise reports for scrutiny.</p>
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	Desired Result	Action	Responsible Officer	Timescale
Further action planned	Better scrutiny as part of the decision-making process and more clarity showing how Cabinet interacts with scrutiny	Ensure the Cabinet Forward Plan and select committee work programmes are updated and accessible to Members.	Scrutiny Manager & Local Democracy Manager	Ongoing
	Better scrutiny as part of the decision-making process	To assist chairs in identifying topics for pre-decision scrutiny and prioritising their work more effectively.	Scrutiny Manager	March 2017
	Better scrutiny as part of the decision-making process	To work with senior officers to encourage them to consider early pre-decision scrutiny of issues to avoid call-ins and the subsequent delays in decision-making.	Scrutiny Manager & Senior Officers	Ongoing
	More efficient processes and timely and clear reports for members	Implement the latest development of Modern Gov and members and officers advice and guidance areas on the intranet.	Local Democracy Manager	From January 2017

WAO Proposal	Ensure that information on the Council's website is accurate, complete and up to date.	Status	Open
Report	Governance – Corporate Assessment Follow-on Review – June 2016		
What progress have we made	<p>The Modern Gov system has been used since September 2015, further functionality of the system has continued to be implemented including the documentation of agendas, reports, minutes and decision logs on the Council's website making these more easily accessible for the public.</p> <p>The implementation of further functionality of modern gov system will include individual and a whole council forward planner being available on the website. A work flow for all reports will also be available on the website. This will provide a record of the meetings the report has been to through the</p>		

decision making cycle and the outcome of the meeting without the need to access each individual meeting. The latest development of the system will be presented to SLT for approval.

The scrutiny website continues to be refined to provide easy access to scrutiny information to Members and to the public.

In spring 2016 the first phase of the content and design review of the website went live to improve user experience. Content continues to be reviewed to ensure it is up to date and user friendly.

	Desired Result	Action	Responsible Officer	Timescale
Further action planned	More efficient processes and timely and clear reports for members	Implement the latest development of Modern Gov and members and officers advice and guidance areas on the intranet.	Local Democracy Manager	From January 2017
	Clear, easily accessible and up to date information on the scrutiny function.	Continue to refine the Scrutiny Website to provide easy access to scrutiny information to Members and to the public.	Scrutiny Manager	Ongoing
	Clear, easily accessible and up to date information on Council services	The website is undergoing a content and design review to improve user experience	Communication and Engagement Manager	Ongoing

Finance proposals

WAO Proposal	The Council should ensure that all budget mandates are costed and are sufficiently detailed. <i>All budget mandates should be fully costed and supported by information showing how each saving area will be achieved with an evaluation of its impact. This information should be produced on a timely basis to inform the agreement of the mandates by Members.</i>	Status	Open
Report	Financial Resilience Assessment – February 2016		
WAO Proposal	Ensure central specialist functions, such as finance and procurement, work more closely with individual service areas in identifying potential savings, the scope of savings achievable and the potential to use pooled budgets with partners.	Status	Open
Report	Corporate Assessment – November 2015		
What progress have we made	<p>The budget setting process for 2017-18 has been revised, recognising the largely successful approach of the mandates in recent years but at the same time with the continuing challenges faced recognising the process may not be sustainable going forward.</p> <p>A report to cabinet, earlier this year, outlined the work which has been started on Future Monmouthshire. This recognises that the challenges faced by the County and Council are not limited to financial pressures, but these should be seen in the round with other significant challenges.</p> <p>The Future Monmouthshire work is making progress and establishing key themes to work on. The budget process this year has been revised and reconfigured, a one year approach has been taken within the context of the MTFP, and with the expectation that a more medium term approach can be adopted next year once the Future Monmouthshire work is further progressed. A set of principles have been developed to ensure that any work and decisions that need to be made in the short term can be consistent with ongoing work to establish the medium and long term picture.</p> <p>So far:</p> <ul style="list-style-type: none"> All services have been tasked to provide 5% and 10% budget proposals considering the issues in line with the Future Monmouthshire principles, including capturing cross cutting issues that may deliver savings across the whole authority 		

- The number of proposals which have come forward is much greater than previous years, these have been categorised as income generation, efficiency, reduction and staffing.
- Identification of pressures, including an assessment of any ongoing pressures in the current year's budget. These will be rigorously reviewed and challenged.
- External and internal challenge processes from specialist functions commenced to ensure robustness of proposals and achievability for 2017/18.

	Desired Result	Action	Responsible Officer	Timescale
Further action planned	Fully costed and robust budget proposals for member scrutiny.	Complete external and internal challenge processes on proposals for 2017/18	Head of Resources	December 2016
	Scrutiny and challenge of budget proposals	Complete consultation and scrutiny on budget proposals	Head of Resources	February 2017

National Study	<p>The Financial resilience of Councils in Wales – April 2015 www.wao.gov.uk/publication/financial-resilience-local-authorities-wales-2015-16</p>
Summary	<p>The report looks at the financial performance of the 22 local authorities in Wales and the quality of their financial management arrangements.</p> <p>Based on the findings of this audit, the Auditor General has concluded that since the last review local authorities are improving their strategic planning arrangements but are having difficulty in developing and delivering the savings and changes to services at the pace required to ensure future financial resilience.</p> <p>The report made six recommendations for local authorities to consider in its report.</p>
Monmouthshire County Council lead	<p>The majority of the findings of the report relate to financial management. The council received its own individual financial resilience assessment in 2015 and is addressing proposal from the report.</p> <p>The Head of Finance has a service improvement plan setting out key actions being undertaking by the department this year.</p>

National Study	<p>Achieving improvement in support to schools through regional education consortia – an early view – June 2015 www.wao.gov.uk/publication/achieving-improvement-support-schools-through-regional-education-consortia-early-view</p>
Summary	<p>The report examines whether the Welsh Government’s arrangements for regional consortia are likely to deliver the intended improvement in support to schools and local authorities. In reviewing the progress of regional consortia the report focused on the effectiveness of governance arrangements based on the Good Governance Standard for Public Services.</p> <p>The report concludes that after an uncertain start, the foundations for regional school improvement services are being established and there are positive signs of progress, but remaining weaknesses are hindering the development of the whole system and the effective governance and financial management of regional consortia.</p> <p>The report makes five recommendations mainly for the consideration of Welsh Government, local authorities and regional consortia</p>
Monmouthshire County Council lead	<p>The Council lead for the Education Achievement Service partnership is the Chief Officer for Education</p>

National Study	<p>Review of Corporate Safeguarding Arrangements in Welsh Councils – July 2015 www.wao.gov.uk/publication/review-corporate-safeguarding-arrangements-welsh-councils</p>
Summary	<p>The report examines the extent to which councils have put in place, and are operating, effective management and assurance processes and controls for safeguarding children.</p> <p>The report summarises that Welsh councils’ corporate assurance arrangements for overseeing the safeguarding of children are of variable quality.</p> <p>The report makes eight recommendations; seven for the consideration of councils and one for the consideration of Welsh Government.</p>

Monmouthshire County Council lead	<p>The Chief Officer for Social Care & Health is the lead for safeguarding. An established whole authority safeguarding group works to implement the safeguarding policy, governance and accountability, practice and process to consistently embed accountability.</p> <p>A Safeguarding strategy was developed and approved in July 2016 to ensure that responsibility for safeguarding is adopted by everyone both within the authority and where we deliver services with others. The recommendations from the study along with insight from other review work has been factored into an action plan that will be steered through the whole authority safeguarding group.</p>
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WAO National Study	<p>Supporting the Independence of Older People: Are Councils Doing Enough? – October 2015</p> <p>www.audit.wales/publications/Independence-of-Older-People</p>
Summary	<p>This report examined whether councils are working effectively to support the independence of older people.</p> <p>The report has concluded that whilst the Welsh public sector recognises the challenges of an ageing population, some key barriers are inhibiting the shift in focus that is needed to reduce demand for health and social care services and support older people to live independently.</p> <p>The report makes six recommendations; five for the consideration of councils and one for the consideration of Councils, health bodies, third sector partners and the Welsh Government</p>
Monmouthshire County Council lead	<p>The Head of Adults services is the primary lead for supporting the independence of older people.</p> <p>The Head of Adults services annual report reflects on progress in delivering priorities for 2015/16 and key areas for development and improvement in 2016/17.</p>

WAO National Study	<p>Delivering with less - leisure services – December 2015</p> <p>www.wao.gov.uk/publication/delivering-less-leisure-services</p>
Summary	<p>The report examines council leisure services under the series of Wales Audit Office thematic reviews called ‘delivering with less’.</p> <p>The report found that although public sector ownership and management of leisure provision is starting to change with the transfer of some services and assets to other models of operation, such as private sector trusts, strategic decisions on whether to transfer or continue with in-house provision of leisure services have not always been based on robust information or a consideration of all of the options open to councils.</p>
Monmouthshire County Council lead	<p>The Head of Tourism, leisure and culture is the lead for leisure services in Monmouthshire. Leisure services have a business plan setting out key actions being undertaken by the service this year.</p> <p>Following agreement by Cabinet in October 2016 a full Business Case is being developed for further consideration by members on a proposed new delivery model for Leisure, Tourism, Culture and Youth Services</p>

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<p>SUBJECT: Overview of Performance Management Arrangements MEETING: Audit Committee DATE: 15th December 2016 DIVISIONS/WARDS AFFECTED: All</p>
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1 PURPOSE

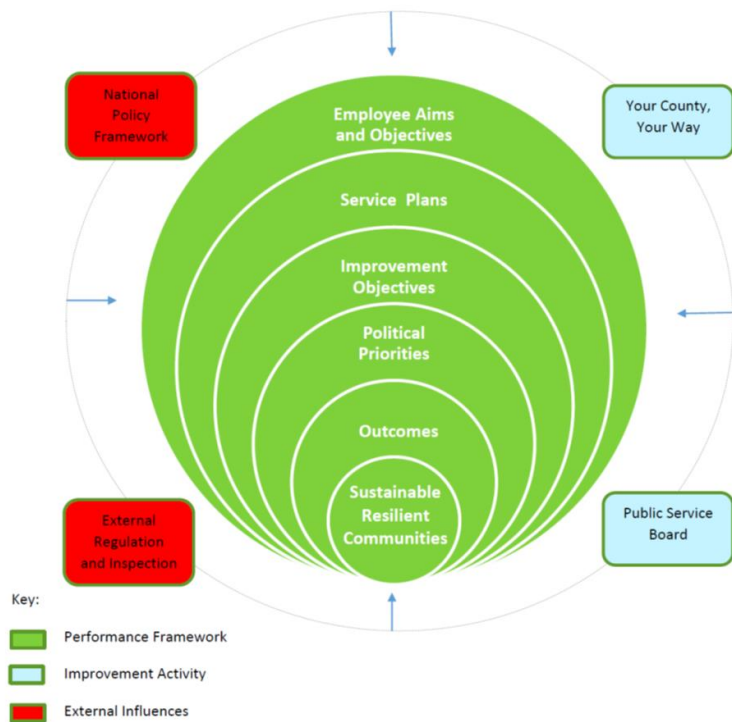
- 1.1 To present an update on the effectiveness of the authority's performance management arrangements.

2 RECOMMENDATIONS:

- 2.1 That members use the update provided to seek assurance on the operation of the authority's performance management arrangements and identify any areas where they feel action needs to be taken or further information provided.

3. KEY ISSUES:

- 3.1 Performance Management is about establishing a shared understanding of what needs to be achieved and making sure that it happens. Our performance framework:
- translates political ambition into a series of Improvement Objectives
 - places an expectation on teams to translate these into specific, measurable actions in their service plans
 - contains a broad range of data to monitor impact and measure the performance of services
 - requires employees to receive regular appraisal to demonstrate how they are contributing to the objectives
- 3.2 The main elements of the improvement framework are shown in the diagram on the following page. There are some other key processes that are part of and/or facilitate aspects of the framework, including the Whole Authority Strategic Risk Assessment and our self-evaluation arrangements.
- 3.3 The framework makes sure that everyone is pulling in the same direction to deliver the vision and priorities of the organisation. This report provides an appraisal of the arrangements to ensure that Audit Committee are able to take an overview of their effectiveness. Each arrangement has been scored based on the Council's Self-evaluation framework, Level 6 Excellent, Level 5 Very good, Level 4 Good, Level 3 Adequate, Level 2 Weak, and Level 1 Unsatisfactory. The committee last received an update on performance management arrangements in December 2015.
- 3.4 We also place reliance on regulatory assessments as a vital part of our improvement framework. In particular these are the Wales Audit Office (WAO) who examine the authority's corporate arrangements, Estyn in relation to education provision and the Care and Social Services Inspectorate for Wales in relation to social services.



3.5 Where applicable the most recent findings of regulatory work have been factored into the appraisal of arrangements. These include the *WAO Annual Improvement Report* published in August 2016 and the Estyn Monitoring visit in November 2015.

3.6 Audit Committee also receive other relevant reports produced by our regulators throughout the year, which include any areas where it is considered the authority needs to take action in response to the reports, these are consolidated within the WAO proposal for improvement updates provided to the committee.

4. RESOURCE IMPLICATIONS

4.1 There are no additional resource implications as a result of this report. However, there may be resource implications in undertaking further actions as directed by Senior Leadership Team or as recommended by the Audit Committee.

5. AUTHORS:

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Improvement Plan	
Purpose:	Each year we publish two separate but complimentary improvement plans. The first (Stage 1) is published each May. It sets the Improvement Objectives that the council plans to deliver in the year ahead to improve services and work towards delivering the vision. The second (Stage 2) is published every October. It describes what we have done to deliver the Improvement objectives we set in the previous year and evaluates our performance for the year. Progress against the Objectives is reported six monthly to Select Committees.
Evaluation Score:	Level 5 – Very Good
Position October 2015	<p>The stage 1 Improvement Plan for 2016/17 was published in June 2016 and contained five objectives closely aligned to delivering the Council's priorities. The Improvement Objectives for 2016-17 are a continuation of five objectives set in May 2015.</p> <p>Some changes were made to the plan to reflect latest legislation, responses to feedback from the Wales Audit Office as well as our own learning. These are:</p> <ul style="list-style-type: none"> • Explaining the structure of the objective so everyone understands why certain information is included. • Continuing to ensure clearer links between actions and measures with associated targets for improvement. • Embedding the Well-Being of Future Generations Act requirements in our planning, including considering how our activity contributes to the 7 wellbeing goals. <p>Each action area has a clearly defined timescale and milestone/measure attached. This enables the Improvement Objectives to be scored (Level 1 – Unsatisfactory to Level 6 – Excellent) based on the criteria in the Council's Self-evaluation framework.</p> <p>The Wales Audit Office has recognised the Council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements and issued the certificate of compliance for the 'Audit of Monmouthshire County Council's 2016-17 Improvement Plan'.</p> <p>The impact of these arrangements and progress made on the improvement objectives will be determined when the assessment of performance is completed at the end of 2016/17.</p> <p>The Stage 2 Plan assessing performance in 2015/16 was published in October 2016. The Wales Audit Office have issued a certificate of compliance stating the council has discharged its improvement reporting duties through the evaluation of performance in 2015/16 in the</p>

Stage 2 Plan. This evaluation identifies areas where we are performing well and areas that still require improvement that will inform our future plans for improvement.

Based on the performance achieved and impact made four Improvement Objectives were scored as “level 4 – good”:

- To improve at all key stages of education
- To safeguard people, whether young or old, while reducing peoples dependence on social care
- To enable the county to thrive
- To maintain locally accessible services

The fifth objective was scored as “level 3 – adequate”:

- Being an efficient, effective and sustainable organisation

This is likely to be the last year that we produce the Improvement Plan in this format. During 2016-2017 we will undertake an assessment of need and wellbeing within the County as a consequence of the Wellbeing of Future Generations Act and the Social Services and Wellbeing Act. The information that is gained during this work will provide a much deeper evidence base to inform the publication of the council’s well-being objectives by 31st March 2017.

Continue to improve outcomes measures to ensure we identify and adopt quality and robust metrics that measure what matters.

Publish the council’s well-being objectives by 31st March 2017.

Service Plans

Purpose:	Each service sets a Service Improvement Plan (also called business plan) annually. Service planning and regularly evaluating our performance is fundamental to how we operate and allows services to plan for the future, assess what went well, learn from what didn't and assess the impact the service has made on people and places of Monmouthshire. Service Plans ensure clear alignment between the council's priorities and objectives, actions the service will be undertaking, performance measures of the service across four key quadrants of staff; finance; processes and outcomes and the management of strategic and operational risks facing the service.
Evaluation Score:	Level 4 - Good
Position October 2015	<p>A strengthened service planning process was introduced in 2013. This established principles that services must comply with in their plans. The principles were further revised as part of the 2016/17 planning process including incorporating responsibilities, under the Well-being of Future Generations Act and for safeguarding and well-being, into them, as well as reflecting feedback from the previous year's process.</p> <p>The majority of plans continue to provide clarity and focus of the services activity, although there remains variability in the overall quality of some plans. The timeliness of completing plans and quarterly updates is an area that needs to improve.</p> <p>The plans are corporately appraised by the Policy and Performance team and feedback and assistance is provided to services, where required or requested, to improve the quality of plan. The plans are available on The Hub and are accessible to all officers and members providing increased transparency of progress and clear alignment for teams to the vision and strategic direction of the organisation. Performance against the service plans is assessed quarterly by services.</p> <p>At the start of 2016 Wales Audit Office completed a review of performance management arrangements following-on from the corporate assessment they completed in 2015. The report recognises the Council's approach to service planning and the completeness of plans used as part of the review. The review proposed we further strengthen the links between the Council's strategies and service plans and set out clearly the financial implications of the council's service changes within the plans.</p> <p>The Estyn Monitoring letter of January 2016 following the Monitoring visit in November 2015 identified: "The CYP directorate has useful service improvement plans for each service area. The service area plans are suitably quality assured by senior officers. The plans follow a helpful, common template and bring appropriate consistency to the directorate's plans. The directorate's plans are more coherent and better focused than at the time of the inspection and this has helped to support improvements in, for example, the provision for additional learning needs, outcomes in schools and in the authority's youth service."</p>

Key future actions

Appraise Service Improvement Plans to further strengthen the quality of service planning and work with Directorate Management Teams to improve timeliness of reporting in some areas.

Implement actions identified in response to the Wales Audit Office proposals for improvement related to service planning.

Performance data and information

Purpose:	<p>Performance data and information is essential to our performance framework. This comprises of nationally set performance indicators and locally set indicators that services have developed to measure the impact of their service.</p> <p>All staff and members need to regularly access and use performance and analysis of performance effectively and efficiently to evaluate the performance of a service.</p>
Evaluation Score:	Level 4 – Good
Position October 2015	<p>The data quality process continues to be strengthened and was amended in 2016 to take account of previous audit feedback and to allocate Internal Audit time to focus on the systems collating data as well as the accuracy of the outputs of the data. Internal guidance notes on completing national and local performance indicators respectively, including internal audit briefs are produced setting clear requirements for data compilers. Continued support from the Policy and Performance team is provided to strengthen arrangements.</p> <p>The 2016 Wales Audit Office review of performance management arrangements acknowledges the action taken to improve the accuracy and quality of performance data although based on sample testing of 2014/15 data the report concluded these have not yet been fully effective.</p> <p>Since this review data quality audits were undertaken by Internal Audit on nationally set and published performance indicators and locally set and published indicators for 2015/16. The audit of nationally set indicators has been given a draft control rating of “Considerable assurance”. Within this there remain recommendations from the internal audit reports that require further attention to ensure processes are improved to meet Internal and External audit requirements.</p> <p>It continues to be recognised that there is a particular challenge in developing performance data measures for new policies or initiatives, including risks to data quality and target setting. These areas will be particularly targeted for support. This is also identified in the Wales Audit Office 2016 review of performance management arrangements which sampled two recently approved strategies (the NEET Strategy and income generation strategy).</p> <p>We continue to use the authority-wide performance measurement system for the council we developed in 2014/15 the “data hub” which is hosted on the council’s intranet site. This also allows members and officers to track and monitor key performance data. A Cabinet level dashboard contains a number of key performance measures and is discussed quarterly by SLT and Cabinet. We need to continue to ensure the information on the hub is up to date, easily accessible and is fully utilised by those who need it. The Wales Audit Office review of performance management arrangements reiterates this need through a proposal for improvement to review the effectiveness of the data hub.</p>

Key future actions	Establish a network of officers who use data to ensure robust data is used to inform decision making.
	Continue to strengthen the data quality process using external and internal audit feedback and liaise with Internal Audit to allocate their time appropriately to identified risks in data quality arrangements.
	Review the effectiveness and design of the data hub.

Staff Appraisal (Check-In, Check-Out)

Purpose:	Appraisal enables all staff to know what is expected of them, to agree how values and behaviours are linked to how we perform at work and to ensure that all of our work links to the wider purpose of the organisation. Managers at every level are expected to set the right standards, coach, motivate, recognise and feedback on poor performance and recognise those people who deliver good performance.
Evaluation Score:	Level 3 - Adequate
Position October 2015	<p>A new employee performance framework, “check in check out” was introduced in April 2014 and provides a value-based performance assessment approach between staff and line managers. Based on feedback received, the check in check out process has been reviewed and further developed with training sessions advertised via Talent Lab.</p> <p>The reviewed process will help ensure the final outcomes of the process are effective, all staff have the opportunity to undertake an appraisal and their personal objectives are focused on delivering the things that matter most to the people of Monmouthshire. As well as capturing the advice, support and training requirements that are identified which will feed into the wider organisational Training Needs Analysis. The people service annual report recognises that improvements in the process were required and steps have been taken to address these including implementing more robust guidance, video tutorials and supportive training.</p> <p>The WAO Annual Improvement Report in 2015 made a proposal for improvement on implementing these planned revisions and changes to the ‘Check In Check Out’ process. In 2016 the Wales Audit Office followed up on the progress made with Human Resources arrangements, including CICO, the report is due to be published in Winter 2016.</p> <p>100% of staff requiring an appraisal were targeted to complete an appraisal, in the first year take up of the new approach was 84%. This was in part due to a big push on promoting the approach from Senior Leadership. In 2015/16 reported data shows 54% of staff completed an appraisal, although the actual figure is likely to be higher than this due to the need to further develop the recording process and is therefore at present not capturing all data in the most effective way. Recognising this, work is underway to investigate the possibility of developing a longer term more effective recording module that would allow managers to record the CICO directly into an employee’s record on the Human Resources system. This would allow for all employee data to be stored in one place and enable direct access to reports from the system identifying completion rates, training needs (which would automatically be fed through to the training team) and track progress on any actions agreed. While this longer term work continues, a basic interim reporting system is in place at the current time to provide clear data on completion rates of appraisals in 2016/17.</p>
Key future actions	<p>Continue to roll out, increase understanding and maximise completion of the check-in, check-out process</p> <p>Implement a new recording process to allow managers to complete accurate records on Check in, Check outs completed</p>

Strategic Risk Assessment

Purpose:	<p>The risk assessment captures the High and Medium level risks that face the council in line with the council’s risk management policy. This ensures that:</p> <ul style="list-style-type: none"> • 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. <p>The risk assessment is a living document and will evolve over the course of the year as new information comes to light. While it is live on the hub for Select Committees to use throughout the year, it is also specifically reported to Select Committees annually in December/January and signed off by Cabinet once a year as an accurate record of the risks facing the organisation.</p>
Evaluation Score:	Level 3 – Adequate
Position October 2015 Page 38	<p>In March 2015, following scrutiny by Select Committee, Cabinet approved updates to strengthen the previously agreed strategic risk Management Policy.</p> <p>The 2016 risk assessment was 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 committees. It was also prepared in line with changes to the council’s risk management policy that were approved by Cabinet in March 2015. The pre and post mitigation risk levels are presented separately. In most cases mitigating actions result in a change to the likelihood of the risk rather than the consequences as our actions are generally aimed at reducing the chance of a negative event occurring rather than lessening it’s impact. Clearly there will be exceptions.</p> <p>Select Committees scrutinised and helped shape the content of the risk assessment at meetings between December 2015 and February 2016. The risk assessment is a living document and has been updated over the course of the year as new information comes to light as part of the council’s performance management arrangements. The up-to-date risk log is accessible to members on The Hub. This ensures that select committees are able to re-visit the information at any point in the year to re-prioritise their work plan as appropriate.</p> <p>The Wales Audit Office Corporate Assessment Follow-on Review on Information Technology published in October 2016 identified that the strategic risk assessment clearly includes the expected elements of a risk register, such as mitigating factors, future actions, and risk owners at officer and member level. The reports also identifies that although corporate and project-specific risk registers exist, the Social Care and Health directorate risk register is still at an early stage of development and proposes we review risk management arrangements to assure risks are managed consistently across directorates and identify and address risks in a timely and appropriate way.</p>

	Lower level strategic risks are managed and monitored through teams' service improvement plans. While this process is already evaluated, the risk assessment in service's plans is often an area particularly identified for improvement to strengthen the capture and management of risks facing services.
Key Future Actions	Risk management arrangements will be reviewed to ensure they are in line with requirements in the well-being of future generations act

Self-Evaluation	
Purpose:	Self-evaluation allows us to appraise what we have done and; assess what went well, learn from what didn't and plan future activity informed by what we did and the impact made.
Evaluation Score:	Level 4 – Good
Position October 2015	<p>Over the last few years there has been a considered focus on strengthening self-evaluation arrangements. As well as existing arrangements being improved a programme of Heads of service challenge sessions has been completed along with a corporate self-evaluation. Performance clinics have also been introduced on an exception basis as an intervention for high risk or long standing performance issues.</p> <p>The Estyn Monitoring letter of January 2016 following the Monitoring visit in November 2015 concludes: Self-evaluation processes have become more honest and accurate. Generally, officers have a clearer understanding of the strengths and areas for improvement within their service areas. Overall, they use this information more effectively to inform their planning. The letter also identifies some areas where analysis of data can improve.</p> <p>The council evaluated its performance in 2015/16 in the Stage 2 Improvement Plan published in October 2016. The Wales Audit Office have issued a certificate of compliance stating the council has discharged its improvement reporting duties through this.</p> <p>Each services Service Improvement Plan requires an evaluation of service performance to be completed annually to assess impact made and inform future actions.</p> <p>The current focus is on using learning from the head of service challenges undertaken to implement future strategic challenge programmes as part of the Future Monmouthshire programme of work and aligning these more closely with the budget setting process, our responsibilities under the Well-being of Future Generations Act and other performance management processes. As a fundamental part of Future Monmouthshire the budget setting process for 2017/18 has been reviewed and refreshed this includes external and internal challenge processes.</p>
Key Future Actions	Implement strategic challenge programmes as part of the future Monmouthshire programme of work

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

**Annual Report and Financial Statements for the
year ended the 31 March 2016**

Registered Charity Number: 507094

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2016**

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**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2016**

Trustee, Officers and Advisors

Trustee

Monmouthshire County Council

Secretary

Robert Tranter
Monitoring Officer
Monmouthshire County Council

Registered Office

Innovation House
Magor
PO Box 106
NP26 9AN

Auditors

Wales Audit Office
24, Cathedral Road
Cardiff
CF11 9LJ

Solicitor

Robert Tranter
Head of Legal Services
Monmouthshire County Council

Investment Custodian

Monmouthshire County Council

Bankers

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

The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2016

Report of the Trustee for the year ended 31 March 2016

The Trustee presents its annual report and the audited financial statements for the year ended 31 March 2016 of The Monmouthshire County Council Welsh Church Act Fund ('the Charity').

The information with respect to the Trustee, officers and advisors set out on page 1 forms part of this report.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on the 16th July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and the UK Generally Accepted Practice as it applies from the 1st January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Structure, Governance and Management

The Charity is governed by the Welsh Church Act 1914 and the Welsh Church Act (Designation and Specification) Order 1996 and is registered with the Charity Commissioners under charity number 507094. A model scheme for the administration of the fund has been prepared and has been submitted to the Welsh Government for approval.

The Trust covers the Council administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen and the City of Newport, with Monmouthshire County Council being designated as the host Authority. The Monmouthshire Welsh Church Act Fund was established on 1 April 1996, from the former Gwent Welsh Church Act Fund and part of the former Mid Glamorgan Welsh Church Act Fund.

Monmouthshire County Council as the Corporate Body is the Trustee for the Welsh Church Fund and therefore there are no policies and procedures adopted for the induction and training of trustees. The trustees also have regard to the Charity Commission's guidance on public benefit.

The management of the Fund is undertaken by officers of the Council and a proportion of their time is charged to the Fund.

Objectives

The primary object of the Charity for each year, as stated in its governing document, is to assist groups and individuals for educational, social, recreational and other charitable purposes. Grants are available from the Fund for capital or revenue purposes. Capital grants may be awarded to assist organisations in the furnishing and upkeep of buildings. Revenue grants are designed to further the aims of societies and to assist individuals in their various pursuits.

Grants allocation policy

An annual budget set by the Trustee for grant payments is split between the administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen and Newport on a population basis.

A Committee set up by the Trustee approves grant applications on a basis in line with full Council meetings or as deemed required by the participating authorities. Grants are made in pursuance of the Charity's objectives.

The grant allocation of each financial year is considered in line with the long term financial viability of the trust and to maintain the ability to generate funds in future years for distribution by maintaining sufficient capital assets.

The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2016

Review of activities and future developments

The statement of financial activities for the year is set out on page 6 of the financial statements. A summary of the financial results and the work of the Charity are set out below.

The Fund has decreased in value by £38,991 (£597,124 increase in 2014/15); this decrease in value is mainly due to the re-valuation of the investments assets of £133,455 (£269,870 increase in 2014/15) as a result of market conditions at the year-end.

Income is principally comprised of investment income of £210,673 (£218,707 in 2014/15), The Trust has utilised the Trustee's own investment managers to manage the fund, thus, controlling management fees and therefore maximising returns whilst at the same time maintaining a balanced capital risk strategy.

Charitable expenditure for the year amounted to £129,522 (£124,053 in 2014/15) and principally comprised grant payments of £122,604 (£117,598 in 2014/15). This is primarily due to Caerphilly Borough withholding grant payments due to applicants not meeting grant payment criteria after the initial award of funding.

As indicated previously, net losses on investments held amounted to £133,455 (£269,870 net gain in 2014/15). These non-realised investment losses have been as a result of the Trusts' current investment strategy, diversifying the portfolio across several investment categories in the last couple of financial years. The long term projections on these charity based investments as indicated by the Trustees' Treasury consultants continue to outperform the trust's old pooled investment strategy as reflected by the continuing increased investment returns received during the financial year.

The provision for potential investment losses arising from investments in Icelandic investment has been released due to the final position re the final loss due on the Icelandic investment being assessed by the treasury advisors as being complete.

Income generation

The Charity's income was £225,935, compared to £220,814 in 2014/15. The full implementation of the market investment strategy that has mainly replaced the pooled investment strategy with Monmouthshire County Council has continued to produce larger returns in the financial markets due to investment in more specific charitable investment funds. This income generation forms the main basis of the following years grant allocations to ensure continuity and non-degradation of the funds capital assets and to perpetuate the charity as a 'going concern'.

Bad debt provision

The bad debt provision of £892 has been released in regard to an invoice outstanding with a tenant.

Investment powers, policy and performance

Under the terms of the Trust Deed, the Trustee has general powers of investment, subject to the provisions of the Trustee Act 2000. The investment policy of the Trust is to maximise the rate of investment return, whilst employing a risk strategy that minimises any potential reduction in the capital value of the Fund.

The Trustee has reviewed its investment strategy and produced an investment and fund strategy for 2015/16, which was approved by Monmouthshire County Council in its capacity as sole and corporate trustee, on March 4th 2015.

Icelandic Bank Impairment

The Charity was exposed to a potential investment losses arising from investments in Icelandic Investments.

The investments of the Charity are managed by the appointed fund managers of Monmouthshire County Council, acting in its capacity as sole and corporate Trustee. As part of the Charity's Investment strategy, any investment losses or gains incurred by the Authority in regard to pooled funds are apportioned proportionately between the Authority and the Charity in line with total investments held by the Authority.

The Charity had provided for a potential £12,494 investment loss (£12,494 investment loss in 2014/15). The Trustee's Treasury advisors have now indicated that the likelihood of further movement in respect of the provision is deemed unlikely.

The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2016

Changes in fixed assets

The fixed asset investments were not re-valued in the 2015-16 financial year in line with the fixed asset policy of revaluation every five years. Revaluation of the fixed assets occurred in 2014-15 (see note 7).

Reserves

The Trustee's policy is to maintain the level of investments at a level that provides sufficient annual income to fund the Charity's charitable expenditure. The level of funds held at 31st March 2016 was £5,216,589. The Trustee has reviewed its Fund strategy and produced an investment and fund strategy for 2015/16 which states that the purpose of reserves is to maintain investments such that they realise sufficient income to provide grants to organisations at a consistent level. Whilst, the strategy is to ensure that there is no long-term detrimental effect on overall reserve balances, recommendation made by the Charity Commission has resulted in grants being made in excess of investment income in order to redress accumulated balances from previous years.

Governance of the Charity

Three representative councillors from each of the five administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen and Newport are appointed by their respective councils annually to form a committee to oversee fund management. Members are appointed to the committee for the term of the Council.

Risk management

The Trustee has undertaken a review of the major risks to which the Charity is exposed and its risk management and internal control procedures should be updated to ensure that systems are in place to mitigate the risks identified. The risk assessment was considered by Monmouthshire County Council on 4th March 2015.

Auditors

The Wales Audit Office was appointed as auditors to the Welsh Church Act Fund in 2007/08.

Statement of Trustee's responsibilities

The Trustee is responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity and its financial activities for that period.

In preparing those financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The Trustee confirms that it has complied with the above requirements in preparing the financial statements.

The Trustee is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the financial statements comply with the Charities Act 1993 It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2016**

The Trustee certifies that:

- as far as it is aware, there is no relevant information of which the Charity's auditors are unaware; and
- as Trustee of the Charity, it has taken all the steps that it ought to have taken in order to make itself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

By order of the Trustee

**Mrs Joy Robson
Head of Finance – Monmouthshire County Council**

Date:

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2016**

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

I have audited the financial statements of Welsh Church Act Fund for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustee and independent auditor

As explained more fully in the Trustee's Responsibilities Statement set out on page 2, the trustee is responsible for the preparation of financial statements which give a true and fair view.

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustee and the overall presentation of the financial statements.

In addition, I read all the financial and non-financial information in the Trustee's Annual Report, to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- Give a true and fair view of the state of affairs of the charity as at 31 March 2016 and of its incoming resources and application of resources for the year then ended; and
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Charities Act 2011.

Opinion on other matters

In my opinion the information which comprises the report of the Trustee in the Annual Report is consistent with the financial statements.

Ann-Marie Harkin
On behalf of the Auditor General for Wales
[Date]

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2016**

**Statement of financial activities (Sofa) for the year ended 31
March 2016**

	Notes	2016 Unrestricted Funds £	2016 Restricted Funds £	2016 Endowment Funds £	2016 Total Funds £	2015 Total Funds £
Income & Endowments from:						
Donations & Legacies		0	0	0	0	0
Charitable Activities		0	0	0	0	0
Investment income	2	210,673	0	0	210,673	218,707
Other Trading Activities		2,768	0	0	2,768	0
Other incoming resources		12,494	0	0	12,494	2,107
Total income & Endowments		225,935	0	0	225,935	220,814
Resources Expended						
Raising funds:						
Investment Property Professional fees		0	0	0	0	915
Management and administration		2,951	0	0	2,951	733
Movement in bad debt provision		(942)	0	0	(942)	885
		2,009	0	0	2,009	2,532
Charitable expenditure						
Costs of activities in furtherance of the Charity's objects						
Grants payable	3,4	122,604	0	0	122,604	117,598
Management and administration		4,433	0	0	4,433	3,970
Other						
Governance Costs	5	2,485	0	0	2,485	2,485
Total Resources Expended		131,531	0	0	131,531	126,585
Gains/losses on investment assets	13	133,445	0	0	133,445	269,870
Net Income / Expenditure		39,041	0	0	39,041	366,631
Transfers between funds	11	0	0	0	0	0
Other Recognised Gains / (Losses)						
Gains/(losses) on the revaluation and disposal of tangible fixed assets	7	(50)	0	0	(50)	233,025
Net movement in funds		38,991	0	0	38,991	597,124
Fund balances brought forward 1 April 2015		5,255,580	0	0	5,255,580	4,658,456
Fund balances carried forward 31 March 2016	11	5,216,589	0	0	5,216,589	5,255,580

All incoming resources and resources expended are derived from continuing activities. There are no recognised gains or losses other than those disclosed above.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2016**

Balance Sheet as at 31 March 2016

	Notes	2016 Unrestricted Funds £	2015 Unrestricted Funds £
Fixed assets			
Investment Land	7	382,501	382,451
Investments	8	4,630,481	4,763,926
		5,012,982	5,146,377
Current assets			
Debtors: amounts falling due within one year	9	147,736	112,564
Cash at bank and in hand		168,192	122,166
		315,928	234,730
Current Liabilities			
Creditors: amounts falling due within one year	10	112,321	113,033
Net current assets less current liabilities		203,607	121,697
Long term liabilities: Provisions	13	0	12,494
Net assets less Liabilities		5,216,589	5,255,580
The Funds of the Charity:			
Unrestricted Funds	11	5,216,589	5,255,580
Total Charity funds		5,216,589	5,255,580

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2016**

Statement of Cash flows as at 31 March 2016

	Total Funds	Prior Year Funds
	£	£
Cash flows from operating activities		
<i>Net Surplus / (Deficit) on the Provision of Services</i>	(38,991)	597,124
Adjust net surplus or deficit on the provision of services for non-cash movements	85,638	(528,020)
<hr/>		
Cash Outflows From Operating Activities		
Adjustments for items included in operating activities that are investing activities	0	0
<hr/>		
Cash inflows from investing activities:		
Proceeds from the sale of property, plant and equipment	0	0
Purchase of property, plant and equipment	0	0
Proceeds from sale of investments	0	0
Purchase of investments	0	0
<i>Net cash provided by (used in) investing activities</i>	0	0
<hr/>		
Cash flows from financing activities:		
Repayments of borrowing	0	0
Cash inflows from new borrowing	0	0
Receipt of endowment	0	0
<i>Net cash provided by (used in) financing activities</i>	0	0
<hr/>		
<i>Change in cash and cash equivalents in the reporting period</i>	46,648	69,104
Cash and cash equivalents at the beginning of the reporting period	122,166	53,062
Change in cash and cash equivalents due to exchange rate movements	0	0
<i>Cash and cash equivalents at the end of the reporting period</i>	168,815	122,166

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2016**

**Reconciliation of net income/ (expenditure) to net cash flow from
Operating activities as at 31 March 2016**

	Current Year £	Prior Year £
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	(38,991)	597,124
Adjustments for non-cash transactions		
Gains/losses on the revaluation and disposal of Investment Land	(50)	(233,025)
Gains/losses on the revaluation and disposal of investment assets	133,445	(269,871)
Increase /(decrease) in Bad debts	(942)	655
(Increase)/decrease in Provisions	(12,494)	0
Increase/(decrease) in debtors	(33,608)	(15,356)
(Increase)/decrease in creditors	(712)	(10,423)
Non-cash items charged on the provision of services		
<i>Net cash provided by (used in) operating activities</i>	46,648	69,104

Analysis of cash and cash equivalents as at 31 March 2016

	Current Year £	In Year Movement £	Prior Year £
Cash in hand	168,815	46,648	122,166
Overdraft facility repayable on demand	0	0	0
Total cash and cash equivalents	168,815	46,648	122,166

The accounts on pages 6 to 13 were approved by the Trustee on 15th December 2016, and signed on their behalf by:

Mrs Joy Robson
Head of Finance (S151, Responsible Financial Officer), Monmouthshire County Council

Date:

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2016**

**Notes to the financial statements for the year ended 31 March
2016**

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). A summary of the principal accounting policies, which have been applied consistently, are set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, as modified by the inclusion of investments and tangible fixed assets at market value. During the year the Charity reviewed its accounting policies in accordance with FRS 102 'Accounting Policies'. No accounting policies have been changed as a result.

Incoming Resources

All income is accounted for on an accruals basis.

Resources expended

All expenditure is accounted for on an accruals basis. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Grants payable

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

Management and administration

Management and administration costs include expenditure on administration of the Charity and, an appropriate apportionment of overheads.

Governance Costs

Governance costs comprise costs involving the compliance with constitutional and statutory requirements. These costs relate to audit fees payable to the appointed external auditor.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Debtors/ Creditors

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Fund accounting

Funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Investment Land and Property

Capitalisation, Replacement and Valuation

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2016**

The Trust's policy is to revalue its Investment land on an annual basis in line with the Charities SORP. Valuations will also be undertaken where it is identified that there have been material movements between formal valuations, this has been changed from a five year valuation cycle due to the Land assets being deemed to be Investment Land not tangible fixed assets.

An Independent valuer of Williams Associates, a qualified Land Valuers and Chartered Surveyors, re-valued all Investment Land as at 24th March 2015 and all assets held at that date are included in the accounts at valuation. Vacant properties are valued at open market value. Properties that are deemed to be Community Assets are valued at a £1.

Depreciation

Land is not depreciated. The Fund currently has no buildings on the fixed asset register.

Investments

Any realised and unrealised gains and losses on revaluation or disposals of investments are included in the statement of financial activities. The Authority is authorised to invest any surplus income or dispose of any investments when it deems appropriate. Investments are strategically placed in investment funds specifically designed for charitable organisations. Investment performance is reviewed periodically in light of prevailing economic changes.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided.

Cash flow statement

The Charity has produced a cash flow statement under Financial Reporting Standard 102 under section 7 on the basis that it meets the relevant conditions and size criteria specified in the Companies Act.1985.

2 Investment income

	2016	2015
	£	£
Investments with Monmouthshire County Council	2,008	2,107
External Investments	208,665	218,707
	210,673	220,814

3 Grants Payable

	2016	2015
	£	£
Grants have been paid to the following administering Local Authorities for them to make to groups and individuals on behalf of the Fund:		
Monmouthshire County Council	25,175	23,884
Torfaen County Borough Council	6,642	22,172
Newport City Council	44,535	38,135
Blaenau Gwent County Borough Council	16,201	15,839
Caerphilly County Borough Council	30,051	17,568
	122,604	117,598

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2016**

4 Analysis of Grants

	Grants to Organisations	Grants to Individuals
	£	£
The Advancement of Education	2,386	2,050
The Advancement of Religion	71,286	0
The Relief of Poverty	700	6,642
Other Purposes Beneficial to the Community	39,540	0
Total	113,912	8,692

Caerphilly Borough Council, Newport City Council, Torfaen County Borough Council, Blaenau Gwent and Monmouthshire County Council have under spent their allocations for 2015/16 by £174,518, £5,920, £35,162, 3,293 and £6,509 respectively which will be carried forward for distribution in 2016/17.

5 Governance Costs

	2016	2015
	£	£
Auditor's remuneration	2,485	2,485
	2,485	2,485

No indemnity insurance for Trustee's liability has been purchased by the Charity. Though no specific indemnity insurance has been purchased by the Charity, the Fund is covered by Monmouthshire County Councils' fidelity guarantee insurance. Insurance covers financial losses incurred as a result of fraudulent acts conducted by Authority employees but does not cover the Trustee for any wrong decisions that may have been made. Governance costs have increased during the year as a result of the Public Audit Wales Act and in particular the duty placed on the Wales Audit Office to ensure full cost recovery in its audit fees.

6 Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Charity is not separately registered for VAT because it falls within the Local Authority's VAT Registration as Corporate trustee and accordingly, all their expenditure is recorded exclusive of any VAT incurred.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2016**

7 Investment Land and Property

	Total
	£
Valuation	
At 1 April 2015	382,451
Disposals	0
Revaluation	50
At 31 March 2016	382,501
Depreciation	
At 1 April 2015	0
Charge in year	0
Disposals	0
At 31 March 2016	0
Net book Value	
At 1 April 2015	382,451
At 31 March 2016	382,501

Tangible Investment Assets solely consist of freehold land. All land held by the Fund had been revalued as at 24th March 2015. Valuations were carried out during March 2015 in accordance with the valuation policy. A further valuation will be carried out within 2016/17 financial year and on thereafter on an annual rolling basis.

8 Investments

	2016	2015
	£	£
CCLA - COIF Property Fund	1,048,603	975,139
UBS Multi Asset Income Fund	698,398	752,446
M&G Charibond Fund	703,312	723,491
Schroders Income Maximiser	406,342	476,340
M&G Charifund	492,404	526,706
CCLA - COIF Investment Fund	827,037	854,303
Treasury Stock 2024 2.5%	104,385	105,501
Invested with Monmouthshire County Council	350,000	350,000
	4,630,481	4,763,926

The Trust has investments held with UBS, M&G, Schroeder's, CCLA, HM Treasury and Monmouthshire County Council which are generally managed by the trusts treasury management advisors. Returns from Monmouthshire County Council are generated on a "pooled" basis. The average rate of interest generated on the pooled funds from Monmouthshire was 0.4495% for 2015/16 (0.5906% for 2014/15). The basis of valuation on the market based investments held with CCLA, M&G, UBS and Schroder's, is the

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2016**

open market value of the unit holdings on the 31st March 2016 multiplied by the units held. There were no additions or disposals of investments during the financial year. The Treasury Stock 2024 valuation is based upon the market value of the Treasury Gilts at the 31st March 2016 as listed on the dmo.gov website. The value of the 'pooled' investment with Monmouthshire County Council is the cash value as at the 31st March 2016. None of the Investments are held outside of the territorial limits of the United Kingdom and the cost of the revaluations is contained within the charity management fee charged annually from Monmouthshire County Council.

9 Debtors

	2016 £	2015 £
Amounts falling due within one year		
<i>Prepayment & accrued income</i>		
Investment Income	140,600	109,634
Other Debtors		
MCC Bank Transfer	0	0
<i>Trade debtors</i>		
Rental income	2,768	3,689
Bad debt provision for loss of rental income	57	(885)
<i>Other Debtors</i>		
HM Revenue and Customs	622	0
Other Debtors	3,689	126
	147,736	112,564

All investment interest due from the trustee was paid in year in 2015-16.

10 Creditors

	2016 £	2015 £
Amounts falling due within one year		
Grant creditors	104,679	97,714
Other creditors	7,642	15,319
	112,321	113,033

Grant creditors are recognised on the amounts awarded by the five constituent authorities of the Welsh Church Fund unpaid at the financial year-end. Other creditors are fees reimbursable for professional services utilised during the financial year by the Charity.

11 Funds

	Balance 1 April 2015 £	Incoming resources £	Resources Expended £	Other Recognised Gain / (Loss) £	Balance 31 March 2016 £
Unrestricted funds	5,255,580	225,985	(131,531)	(133,445)	5,216,589

There were no transfers between funds during the 2015-16 financial year.

The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2016

12 Related party transactions

During the year transactions with related parties arose as follows:

	2016		2015	
	Receipts	Payments	Receipts	Payments
	£	£	£	£
Monmouthshire County Council	7,543	22,824	39,566	27,978

Members of the Authority have direct control over the Welsh Church Fund's financial and operating policies. Where work or services have been commissioned, or where grants were made during the financial year in which members had an interest, members have a duty to declare such an interest. The Welsh Church Fund must ensure that grants allocated were in full compliance with the Authority's standing orders and that grants were made with proper consideration of declarations of such interests.

During the financial year, members who declared an interest did not take part in any discussion or decision relating to grants made or works or services commissioned. Details of all interests declared are recorded in minutes or relevant meetings and recorded in the Register of Members' Interest, open to public inspection at County Hall, Usk.

13 Investment losses -Impairment of Investments

The Charity is currently exposed to potential investment losses arising from investments in Icelandic Investments.

A small amount of the investments of the Charity are pooled within the overall investment portfolio of Monmouthshire County Council, acting in its capacity as sole Trustee. As part of the Charity's Investment strategy, any investment losses incurred by the Authority are apportioned proportionately between the Authority and the Charity in line with total investments held by the Authority.

Early in October 2008, the Icelandic banks Landsbanki, Kaupthing and Glitnir collapsed and the UK subsidiaries of the banks, Heritable and Kaupthing Singer and Friedlander went into administration. Monmouthshire County Council had £1,200,000 deposited with Heritable Bank as part of its overall investment portfolio.

All monies within Heritable Bank are currently subject to the respective administration process. The amounts and timing of payments to depositors such as the authority will be determined by the administrators. This process is estimated to have terminated in the financial year 2015/16 and therefore the provision of £12,494 for the investment loss (£12,494 in 2014/15) has subsequently been released.

14 Trustee's Expenses, Remuneration and Benefits

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



Audit of Financial Statements Report **Welsh Church Act Fund**

Audit year: 2015-16

Issued: December 2016

Document reference: 619A2016

Status of report

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 the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at info.officer@audit.wales.

The team who delivered the work were Ann-Marie Harkin, Terry Lewis & Anthony Ford

Contents

We intend to issue an unqualified audit report on the financial statements. There are some issues to report to you prior to their approval.

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Summary report

Introduction

1. We are responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of the Welsh Church Act Fund at 31 March 2016 and its income and expenditure for the year then ended.
2. We are reporting to you the more significant issues arising from the audit, which we believe you should consider prior to approving the financial statements. The audit team has already discussed these issues with officers.
3. We do not try to obtain absolute assurance that the financial statements are correctly stated, but adopt the concept of materiality. In planning and conducting the audit, we seek to identify that the financial statements are materially correct and are not materially misstated, namely, those that might mislead a reader of the accounts.

Proposed audit report

4. It is our intention to issue an unqualified audit report on the financial statements. The proposed audit report is set out in [Appendix 1](#).

Issues arising from the audit

Corrected misstatements

5. A small number of misstatements were identified during our audit and whilst they have been corrected by management, we consider that they should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. They are set out with explanations in [Appendix 2](#).
6. In the course of the audit, we consider a number of matters both qualitative and quantitative relating to the accounts and report any significant issues arising to you. We summarise our findings below:
 - **We have identified one issue in relation to the qualitative aspects of your accounting practices and financial reporting which will need to be addressed in 2016-17.** The introduction of the new Charities SORP requires investment land and property valuations to reflect market value each year end. The Fund will need to discuss this matter further the Council's Estates department to ensure the general assurance statement they currently provide on asset valuations (as part of the Councils accounts process) is tailored to specifically consider and comment on the WCA assets.
 - **We did not encounter any significant difficulties during the audit.**
 - **There were no significant matters discussed and corresponded upon with management which we need to report to you.**
 - **There are no other matters significant to the oversight of the financial reporting process that we need to report to you.**

-
- **We did not identify any material weaknesses in your internal controls.**

There are not any other matters specifically required by auditing standards to be communicated to those charged with governance.

Appendix 1

Proposed audit report of the Auditor General for Wales to the Trustee of the Monmouthshire County Council Welsh Church Act Fund

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

I have audited the financial statements of Welsh Church Act Fund for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustee and independent auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustee is responsible for the preparation of financial statements which give a true and fair view.

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustee[s]; and the overall presentation of the financial statements.

In addition, I read all the financial and non-financial information in the Trustees' Annual Report, to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2016 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Charities Act 2011.

Opinion on other matters

In my opinion the information which comprises the report of the Trustee in the Annual Report is consistent with the financial statements.

Ann-Marie Harkin
On behalf of the Auditor General for Wales
Date

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Appendix 2

Final Letter of Representation

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

December 2016

Representations regarding the 2015-16 financial statements

This letter is provided in connection with your audit of the financial statements of Monmouthshire County Council Welsh Church Act Fund for the year ended 31 March 2016 for the purpose of expressing an opinion on their truth and fairness.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for the preparation of the financial statements in accordance with legislative requirements and Charities SORP 2015 in preference to the Charities SORP 2005 which is referred to in the extant regulations but has been withdrawn, in particular the financial statements give a true and fair view in accordance therewith.

We acknowledge our responsibility for the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and

-
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
 - The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - Our knowledge of fraud or suspected fraud that we are aware of and that affects Monmouthshire County Council Welsh Church Act Fund and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
 - Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
 - Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
 - The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Trustee on [insert date].

Signed by:

Signed by:

Date:

Date:

Appendix 3

Summary of corrections made to the draft financial statements

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Nature and value of correction

Changes to the SORP introduced the need to produce a Cashflow statement. Corrections have been made to the Cashflow statement to ensure entries within it are consistent with corresponding entries in the accounts.

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

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Fax: 029 2032 0600

Textphone: 029 2032 0660

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Gwefan: www.archwilio.cymru

**Monmouthshire Farm School Endowment
Trust Fund**

**Annual report
for the year ended 31 March 2016**

-Registered Charity Number: 525649

Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2016

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**Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2016**

Trustees, officers and advisors

Trustees

D L Edwards
Monmouthshire County Council

D Yeowell
Torfaen County Borough Council

R Edwards
Monmouthshire County Council

Professor J D Hayes
University College Wales Aberystwth

R J W Greenland
Monmouthshire County Council

K Backhouse
Director Usk Campus – Coleg Gwent

S B Jones
Monmouthshire County Council

D Havard
Caerphilly County Borough Council

A Easson
Monmouthshire County Council

D.W.H Jones
Monmouthshire County Council

L Winnett
Blaenau Gwent County Borough Council
(Left during year)

R Pagett
Blaenau Gwent County Borough Council
(Started during year)

Dr W O C Symondson
University of Wales College Cardiff

Secretary

P Matthews – Acting Monitoring Officer, Monmouthshire County Council

Registered Office

@innovation House, PO box 106, Magor NP26 9AN

Auditors

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

Solicitors

R Tranter, Head of Legal Services, Monmouthshire County Council

Investment custodian

Monmouthshire County Council

Bankers

Barclays Bank, Leicester, Leicestershire LE87 2BB

Monmouthshire Farm School Endowment Trust Fund Annual report for year ended 31st March 2016

Report of the Trustee for the year ended 31st March 2016

The Trustee presents its annual report and the audited financial statements for the year ended 31 March 2016 of The Monmouthshire Farm School Endowment Trust Fund. The information with respect to the Trustee, officers and advisors set out on page 1 forms part of this report. The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The financial statements comply with the Charity's trust deed.

Status and administration

The Charity is governed by the 1959 Principal Scheme as amended by the Altering Scheme of 1971, although the governing body may rightly claim a history stretching back to 1894. The Fund is registered with the Charity Commission under charity number 525649.

Objects

The primary object of the Charity, as stated in its governing document, is to make awards to students in need of assistance to attend Usk Agricultural College, or at the discretion of the governing body, any other college, institution or university to pursue courses of study in agricultural subjects. The governing body can use its discretion to apply any unawarded income to provide funding towards the cost of their facilities or amenities at Usk College which would benefit these students. The grant awarded have allowed the beneficiaries to pursue land based courses to enhance career opportunities. The area of benefit is clearly defined, household income is a consideration when making the award. Grants were awarded to 18 people and the total awards were £21,547.

Review of activities and future developments

The statement of financial activities for the year is set out on page 5 of the financial statements. A summary of the financial results and the work of the Charity are set out below.

The Fund has increased in value by £2,499 (£23,380 increase in 2014/15) over the financial year as a result of outgoing resources being outweighed by incoming resources.

Income is comprised of interest on investment stock and cash held of £23,314 (£5,163 in 2014/15), and £32,479 (£37,328 in 2014/15) in respect of the annual payment from the Roger Edwards Educational Trust Fund. Expenditure of £30,127 (£46,457 in 2014/15) primarily comprised of grants payable of £27,651 (£44,200 in 2013/14) in line with the Charity's objects. Unrealised investment loss of £23,167 (£27,346 gain in 2014/15) were made in relation to investments held.

The current strategy is to ensure that there are sufficient funds to meet the needs of beneficiaries.

Investment powers, policy and performance

Under the terms of the Trust Deed, the Trustee has general powers of investment, subject to the provisions of the Trustee Act 2000. The Trustee has reviewed its investment strategy and produced an investment and fund strategy for 2014/15 which was approved by Monmouthshire County Council in its capacity as Trust administrator on 5th March 2014. Investments are strategically placed in low-risk investments. Investment performance is reviewed periodically in light of prevailing economic changes.

Grant making policy

Grants are made in pursuance of the Charity's objectives in assisting students in need to attend Usk Agricultural College, or at the discretion of the governing body, any other college, institution or university to pursue courses of study in agricultural subjects.

Changes in fixed assets

The movements in fixed asset investments during the year are set out in note 7 to the financial statements. During the year a new investment strategy was approved by the Trustee and as a result two new investments were made, these are detailed in note 7.

Monmouthshire Farm School Endowment Trust Fund Annual report for year ended 31st March 2016

Reserves,

The Fund consists primarily of the sale proceeds of the Former Monmouthshire Farm School by the governing body of the school to Monmouthshire County Council. The fund receives an annual payment from The Roger Edwards Educational Trust (Charity Number 525638) equivalent to two thirds of the annual investment and rental income accrued to the Foundation.

The Trust has reviewed its fund strategy and produced an investment and fund strategy for 2014-15 which states that it is the Trust's policy to maintain funds at approximately the current level and utilise the annual income received to fund its charitable expenditure. This was approved by Cabinet on the 5th March 2014.

Governance of the Charity

Representative trustees appointed by Monmouthshire County Council have a term of office equivalent to the term of a County Council (four years); the other representative trustees have a term of office of three years and the co-operative trustees have a term of office of five years. The trustees are listed on page 1.

Risk management

Monmouthshire County Council as appointed administrator of the Trust Fund periodically review the major risks to which the Charity is exposed as part of the Authority's overall risk management and financial control processes. The Roger Edwards Educational Trust provide significant income to this trust and forms the majority of income that can be used for grants. This income is received after the audited accounts have been agreed and therefore this is usually late in the financial year. A risk assessment policy was approved by Cabinet on 6th March 2013.

Auditors

The Wales Audit Office are the appointed auditors to the Charity.

Trustee's responsibilities

The Trustee is required by charity law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of the net incoming/outgoing resources of the Charity as at the end of the financial year.

The Trustee confirms that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st March 2015. The Trustee also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Trustee

Trustee:

Date:

**Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2016**

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

I report on the accounts of Monmouthshire Farm Endowment Trust Fund for the year ended 31st March 2016, which are set out on pages 5 to 10.

Respective responsibilities of trustee and independent examiner

The charity's trustee is responsible for the preparation of the accounts. The charity's trustee considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility:

- To examine the accounts under section 145 of the 2011 Act;
- To follow the procedures laid down in the general directions given by the Charity Commission under section 145 (5) of the 2011 Act; and
- To state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking of explanations from you as trustee concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act;have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Ann-Marie Harkin
On behalf of the Auditor General for Wales
Date:

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2016

Statement of financial activities (Sofa) for the year ended 31st March 2016

	Notes	2016 Unrestricted Funds £	2016 Restricted Funds £	2016 Endowment Funds £	2016 Total Funds £	2015 Total Funds £
Income & Endowments from:						
Donations & Legacies		0	0	0	0	0
Charitable Activities		0	0	0	0	0
Investment income	2	23,314	0	0	23,314	5,163
Other Trading Activities		0	0	0	0	0
Other incoming resources (REET)		32,479	0	0	32,479	37,328
Total income & Endowments		55,793	0	0	55,793	42,491
Resources Expended						
Raising funds:						
Investment Property Professional fees		0	0	0	0	0
Management and administration		0	0	0	0	0
Movement in bad debt provision		0	0	0	0	0
		0	0	0	0	0
Charitable expenditure						
Costs of activities in furtherance of the Charity's objects						
Grants payable	3	27,651	0	0	27,651	44,200
Management and administration	4	2,476	0	0	2,476	2,257
Governance Costs		0	0	0	0	0
Total Resources expended		30,127	0	0	30,127	46,457
Gains/(losses) on investment assets	5	(23,167)	0	0	(23,167)	27,346
Net Income / Expenditure		2,499	0	0	2,499	23,380
Transfers between funds		0	0	0	0	0
Other Recognised Gains / (Losses)						
Gains/(losses) on the revaluation and disposal of tangible fixed assets		0	0	0	0	0
Net movement in funds		2,499	0	0	2,499	23,380
Fund balances brought forward 1 April 2015		702,433	0	0	702,433	679,053
Fund balances carried forward 31 March 2016		704,932	0	0	704,932	702,433

All incoming resources and resources expended are derived from continuing activities. There are no recognised gains or losses other than those disclosed above.

Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2016

Balance Sheet as at 31 March 2016

	Notes	2016 Unrestricted Funds £	2015 Unrestricted Funds £
Fixed assets			
Investments	7	611,952	477,869
		611,952	477,869
Current assets			
Debtors: amounts falling due within one year	8	35,393	36,305
Cash at bank and in hand		59,687	192,786
		95,080	229,091
Current Liabilities			
Creditors: amounts falling due within one year	9	2,100	4,527
Net current assets less current liabilities		92,980	224,564
Long term liabilities: Provisions		0	0
Net assets less Liabilities		704,932	702,433
The Funds of the Charity:			
Unrestricted Funds	10	704,932	702,433
Total Charity funds		704,932	702,433

The accounts were approved by the Trustee on 18th July 2016 and signed on their behalf by:

Trustee:

Date:

Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2016

Notes to the financial statements for the year ended 31st March 2016

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). A summary of the principal accounting policies, which have been applied consistently, are set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, as modified by the inclusion of investments and tangible fixed assets at market value. During the year the Charity reviewed its accounting policies in accordance with FRS 102 'Accounting Policies'. No accounting policies have been changed as a result.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Incoming Resources

All income received is accounted for on a receivable basis and has been classified under the appropriate categories. The income received from the Roger Edwards Educational Trust is an estimation of income based on historical data, the actual income relating to 2015-16 has not been received at the time of this report, and therefore any adjustment will be made in the accounts for 2016-17.

Grants payable

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

Management and administration

Monmouthshire County Council administer the Trust Fund on behalf of the Trustee. Management and administration costs include expenditure on administration of the Charity and compliance with constitutional and statutory requirements, and an appropriate apportionment of support service recharges and overhead apportionments.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fund accounting

General funds are available for use at the discretion of the Trustee in furtherance of the general objectives of the Charity. Investment income and gains are allocated to the appropriate fund.

Investments

Investments are included at market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are combined in the statement of financial activities.

Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2016

Cash flow statement

The Charity is exempt from publishing a cash flow statement as it qualifies for exemption as a small charitable company under Financial Reporting Standard 1 paragraph 5(f) on the basis that it meets the relevant conditions and size criteria specified in the Companies Act 1985 (Accounts of Small and Medium-Sized Companies and Minor Amendments) Regulations 1997 (SI 1197/220).

2 Investment income

	2016	2015
	£	£
Interest on government securities	0	0
Interest on cash balances	615	2,591
Interest on Investments	22,699	2,572
	23,314	5,163

3 Resources expended

	2016	2015
	£	£
Grants payable	27,651	44,200
Management & administration	2,476	2,257
	30,127	46,457

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

4 Net incoming resources

	2016	2015
	£	£
Net incoming resources is stated after charging:		
Auditor's remuneration	1,701	1,701
	1,701	1,701

Though no specific indemnity insurance has been purchased by the Charity, the Fund is covered by Monmouthshire County Councils' fidelity guarantee insurance. Insurance covers financial losses incurred as a result of fraudulent acts conducted by Authority employees but does not cover the Trustee for any wrong decisions that may have been made.

5 Gains and losses on revaluation and disposal of investment assets

Market Value 31/03/15	Additions (Disposals)	Market Value 31/03/16	Gain/(Loss)
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Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2016

	£	£	£	£
2.5% Consolidated Stock	70,329	(71,750)	0	1,421
Charibond	205,538	0	199,805	(5,733)
OEIC	202,002	0	184,541	(17,461)
COIF	0	229,000	227,606	(1,394)
Total	477,869	157,250	611,952	(23,167)

The 2.5% consolidated stock was redeemed during the financial year with the realised loss accounted for in the SOFA. Following the redemption of this the funds were invested in line with the investment policy.

6 Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Charity falls with Monmouthshire County Council regulations for VAT, and therefore any liability is accounted for within Monmouthshire County Council.

7 Fixed asset investments

	Total
	£
Valuation at 1 April 2015	477,869
Additions	229,000
Disposals at opening market value	(71,750)
Net revaluation (loss) / gain	(23,167)
Valuation at 31 March 2016	611,952

Fixed asset investments solely consist of the quoted investments. All investments are stated at their market value at 31st March 2016. The historical cost of the investments at 31st March 2016 was £639,000. All of the Charity's investments are quoted in the UK. During the year a new investment strategy was approved by the trustees and as a result two new investments were made. The details of these are disclosed in the table below, being Charibond, COIF and OEIC Fund.

Investments with a market value greater than 5% of the total portfolio market value at 31st March 2016 are as follows:

	£	%
COIF	227,606	32.7
Charibond	199,805	37.2
OEIC Fund	184,541	30.1

The percentage shown above is the percentage of the total portfolio market value as at 31st March 2016.

8 Debtors

Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2016

	2016	2015
	£	£
Amounts falling due within one year		
Receivable from The Roger Edwards Educational Trust Fund	32,000	36,000
Accrued Interest Receivable	2,330	
HM Revenue and Customs	1,063	305
	35,393	36,305

The majority of the debt relates to the payment from the Roger Edwards Educational Trust. This is an estimate of the income based on historical payments.

9 Creditors

	2016	2015
	£	£
Amounts falling due within one year		
Accruals and deferred income	2,100	4,527
	2,100	4,527

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

10 Funds

	Balance 1 April 2015	Incoming resources	Resources Expended	Investment Gain/(Loss)	Balance 31 March 2016
	£	£	£	£	£
Permanent endowed funds	702,433	55,793	(30,127)	(23,167)	704,932

11 Related party transactions

No remuneration directly or indirectly out of the funds of the Charity was paid or payable for the year to any trustee. Payments have been made to Monmouthshire County Council respect of management and administration expenses.



WALES **AUDIT** OFFICE
SWYDDFA **ARCHWILIO** CYMRU

Independent Examination of Financial Statements Report

Monmouthshire Farm School Endowment Trust Fund

Financial year: 2015-16

Issued: December 2016

Document reference: 614A2016

Status of report

This document has been prepared for the internal use of Monmouthshire County Council as part of work performed in accordance with statutory functions, the Code of Audit Practice and the Statement of Responsibilities issued by the Auditor General for Wales.

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Contents

It is our intention to issue an unqualified examiners report on the 2015-16 financial statements

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Introduction

1. The Charity's trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011 (the Act) and have considered that this year under section 144(2) of the Act an independent examination is needed of them.
2. We are responsible for providing an independent examiners report on the Monmouthshire Farm School Endowment Trust Fund (the Fund) financial statements as at 31 March 2016. An independent examination involves reviewing whether the charity has, in all material respects:
 - Maintained accounting records in accordance with Section 130 of the Act; and
 - Prepared accounts which accord with the accounting records and comply with the accounting requirements of the Act.
3. We are also required to report to you any matter that, in our opinion, attention should be drawn to enable a proper understanding of the accounts to be reached prior to the accounts being approved by the trustees. Where this is the case our team has already discussed these issues with officers.

Proposed examination report

4. It is our intention to issue an unqualified examination report on the financial statements. Our proposed report is set out in [Appendix 1](#).

Significant issues arising from our examination

5. There is one significant issue to report which is a recurring issue for the Fund. The Fund's financial statements include an income distribution of £32,000 from the Roger Edwards Educational Trust Fund. As per the deeds of the charity, this distribution is based on a two thirds share of the annual income of the Roger Edwards Educational Trust Fund which is payable following the external examination of the accounts of that Trust Fund. However, as that external examination is not yet complete, uncertainty exists concerning the final income distribution payable to the Farm School Fund.
6. Information was provided to us in a timely and helpful manner and we are appreciative of the assistance provided by officers to facilitate the completion of our examination.

Appendix 1

Proposed report of the independent examiner to the trustee of Monmouthshire Farm School Endowment Trust Fund

I report on the accounts of Monmouthshire Farm School Endowment Trust Fund for the year ended 31 March 2016, which are set out on pages 5 to 10

Respective responsibilities of trustees and independent examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility:

- to examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Ann-Marie Harkin
On behalf of the Auditor General for Wales
Date:

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ



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Website: www.wao.gov.uk

SUBJECT:	Zero Hour/Casual hour contracts
MEETING:	Audit Committee
DATE:	15th December, 2016
DIVISION/WARDS AFFECTED:	

1. PURPOSE:

- 1.1 Council, at its meeting of 20th October 2016, received a report outlining the use of zero hours/non – guaranteed hours/casual contracts across the organisation, attached as appendix1. Following debate a motion was put and agreed that “Audit Committee take a look at zero hour contracts and report back to full council at the earliest time.” This report seeks to provide members of the audit committee with a review of the current position within the council and agree any further action that is required to reassure council that the contractual arrangements operating are appropriate, non -discriminatory and are legally compliant.

2. RECOMMENDATIONS:

Members consider the content of the report and attachments and identify any further action required.

3. KEY ISSUES:

- 3.1. Members are concerned that the council may be employing individuals in such a way that could be to the detriment of the employee. Council asked for information regarding the number of employees who are employed on zero hours/casual hour contracts within the council and this is outlined in appendix 2 of the attached council report appendix1.

Managers across the organisation employ people to undertake a range of roles and duties and as an organisation we need to comply with the Working Time Directives 1988 which sets out parameters regarding working hours, statutory entitlement to paid leave for most workers and a number of other related issues. Against this background a protocol for managers has been developed. The protocol, attached as appendix 2, provides guidance and aims to provide information & support to managers on the application of the correct type of contract of employment. The purpose of the guidance is to ensure legal compliance and to ensure that the right contract is issued to an employee in Monmouthshire County Council.

Services across the organisation look to minimise the use of non – guaranteed/casual hour contracts to those areas where individuals are employed on a casual basis. Individuals who are employed on a casual basis have no obligation to accept hours of work offered and this flexibility suits both the employer and the individual.

Members are concerned that currently around 9.4 percent of the workforce are employed under casual contracts and have asked for trend information for previous years and also a review of some contracts which are in excess of 20 hours per week. Historic trend information is not available, however we can monitor the position going forward using the information already provided as our baseline.

As an organisation we are developing our approach to workforce planning and HR colleagues, via a business partnership approach, will be working with managers to identify and ensure the correct type of employment contracts are being used in order to minimise the use and cost of agency staff whilst ensuring that employees are not disadvantaged as a consequence of their contracts of employment.

Each quarter a report from the HR Business Partner will be produced that shows the ‘establishment’ for the particular service area. HR will routinely challenge managers on a range of workforce data and information. This will provide a ‘governance’ structure which will enable regular review of the type and use of contracts of employment on an ongoing basis.

4. REASONS:

- 4.1 To provide information to Audit Committee on the use of zero hour/casual hour contracts to enable them to identify any required future action, over and above that outlined above, to reassure members that the council’s employment practise is appropriate and does not disadvantage employees.

5. RESOURCE IMPLICATIONS:

- 5.1 None as a direct consequence of this report

6. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING)

7. CONSULTEES:

8. BACKGROUND PAPERS:

- 8.1 Appendix 1 Council report on Use of ZeroHour/casual hour contracts, 20th October 2016

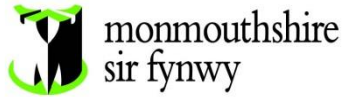
Appendix 2 Council, Protocol on the use of Employment contracts.

9. AUTHOR:
Tracey Harry, Head of People Services & Information

10. CONTACT DETAILS:

Tel: 01633 644602

E-mail: traceyharry@monmouthshire.gov.uk



SUBJECT:	ZERO HOUR CONTRACTS
MEETING:	FULL COUNCIL
DATE:	20th OCTOBER, 2016
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

To provide full council with an analysis of the current use of zero hour/ non guaranteed hour(NGH)/ casual contracts across the organisation, requested by full council on 22nd September

2. RECOMMENDATIONS:

Council consider the information provided

3. KEY ISSUES:

In September 2016, The Public Services Commission has provided principles and guidance to public bodies in Wales on the appropriate use of non-guaranteed hours arrangements in devolved public services in Wales. This guidance enables public service organisations and their recognised trade unions to work together to actively review and consider the arrangements they have in place now and those that will need to be developed for the future.

The guidance aims to support greater consistency and cohesion in the way flexible workforce arrangements are developed and considered within public services. The Commission, in accordance with its remit from Welsh Government, has worked with its primary reference point, the Workforce Partnership Council (WPC) and its four sector groups (Local Government, Health, Education and Devolved services) to respond to Welsh Ministers' request to develop this advice and guidance on the use of zero hours contracts.

The guidance outlines five key principles which are outlined in Appendix 1 and our adherence with those principles is also identified. Whilst we already comply with much of the guidance we are looking to address areas where we need further work specifically with regard to Principle 2 and the requirement to develop a Policy statement outlining which areas of the organisation's business will utilise such arrangements and for what purpose.

Services across the organisation look to minimise the use of non guaranteed/casual hour contracts to those areas where individuals are

employed on a casual basis. Individuals who are employed on a casual basis have no obligation to accept hours of work offered and generally this flexibility suits both the employer and the individual.

These posts are set up on the 'just in case' scenario e.g. bank workers, relief workers, midday supervisors - so that service areas and schools then have a 'pool' of people they can call on at short notice with the knowledge that the post and person are already on the system, so saving time for the business area/school with the 'start-up' processes (which can often take some time) and ensuring quick payment for the individual for what maybe a couple of hours work. Individuals who enter these arrangements, do so in the knowledge that the work offered is on this basis.

The council is committed to equality of opportunity and where issues are highlighted the council takes action to identify workable solutions to ensure fair contracts of employment for example work has been undertaken to review contractual arrangements in business areas such as leisure and homecare. Leisure has the largest number of casual contracts, at 62, however the majority of these are Casual Leisure Assistants, who are often students and only want work, or are only able to provide work on this basis and the Play-schemes workers, which is a task and finish based offer of work.

In SCH In house there are very few non guaranteed hours contracts and these are only where there is a positive choice made by the person. Externally we contract with the care sector but we do not at present stipulate non use around zero contract hours. We are currently carrying out a change programme with the sector which will look at the terms and conditions for the future and we are keen to see improved terms and conditions including guaranteed hours as a standard feature

The list in appendix 2 shows that we currently have 318 employees with no contracted hours.

318 employees equates to 8.94% of the workforce but if you look at the figure this includes 67 Exam Invigilators and 35 Supply Teachers, so if these were removed the figures would be 216 or 6.07%. The list also includes a number of casual workers for whom it is mutually beneficial to the individual and the organisation to operate in this way.

Information provided by Newport City Council reflects a very similar position to our own and reflects the use of casual employees to meet the business needs of the organisation whilst also offering flexibility of employment to individuals.

4. REASONS:

To respond to council on the issue of zero hours contracts. To reassure council that the picture within the organisation is a hugely different picture to the scenarios we have seen reported on in the media recently. As a council we offer posts on a casual basis with no mutuality of obligation. This flexibility enables the organisation to meet its business needs now and in the future.

5. **RESOURCE IMPLICATIONS: N/A**

6. **Future Generations and Well –being Assessment.**

Attached as appendix 3

7. **AUTHOR:** Tracey Harry – Head of People Services & Information Governance
Sally Thomas, - Interim HR Manager

8. **CONTACT DETAILS:**

Tel: 01633 644602

E-mail: traceyharry@monmouthshire.gov.uk

Principle

- 1. Where organisations need to introduce new non-guaranteed hours arrangements or consider changes to their current arrangements they will engage at the earliest opportunity with their recognised trade unions.**

In accordance with the 'Welsh Way' of social partnership, organisations will include their recognised trade unions in the planning of and implementation of any changes to the mechanisms for flexing their workforces. Even where no changes are planned, organisations will regularly review the appropriateness of their non-guaranteed hours arrangements with their trade unions, particularly as part of their joint working on workforce planning.

Guidance

Regular review of the appropriateness of the arrangements for organisations and staff

Organisations will build in regular reviews, both individually and collectively through the recognised trade unions on the appropriateness of the non-guaranteed hours arrangements in use in the organisation. This will include consideration of the service requirements, the organisation's needs, the needs of staff and the impact on the workforce as whole.

There will be active consideration as to whether the non-guaranteed hours arrangements remain appropriate. For example, when regular hours have been worked over the preceding three months and there is a continuing need and requirement for the hours to be worked on an ongoing basis, consideration will be given to whether it would be appropriate for the organisation to change the arrangements to something more permanent.

Organisations will establish a process where staff engaged on a non-guaranteed hours contractual arrangement can request a review of their working arrangements with a view to changing their contractual arrangement if they have been undertaking regular hours for example, 4 hours per week over a continuous period of 3 months. Details of the arrangements for requesting a contract review will be included in the recruitment arrangements and terms and conditions of engagement.

Changes to contractual arrangements following review

When the review above leads to a change in the contractual relationship a revised contract setting out the new arrangements will need to be issued. This will set out in a clear accessible language the revised relationship between the organisation and the individual.

Council Position:-

The council meets with TUs on a regular basis, at JAG and at our informal meetings, and this is a regular item for discussion.

Review – we monitor use of our NGH contracts and respond to any challenges. We would encourage our employees to do this either themselves or via their TU – and we have examples where this has taken place – with effective outcomes.

Process to enable an employee to request a review – needs to be established.

Contract changes – this requirement is met..

Principle

2. Organisations will make clear which non-guaranteed hours arrangements they use and for what purposes.

Where organisations use non-guaranteed hours arrangements they will explain the purpose for their use and define the scope for when such arrangements will be used. It will not be appropriate for organisations to seek to deliver their core services solely through these types of arrangements. The organisations will have a clear understanding of the services that they are required to deliver and a broadly predictable workforce requirement. Good workforce planning can ensure that the balance between the use of the permanent and the use of the casual workforce is appropriate and reviewed regularly.

Guidance

Statement on the use of non-guaranteed hours arrangements

An organisation will in conjunction with their recognised trade unions develop a policy statement outlining which areas of the organisation's business will utilise such arrangements and for what purpose. The statement will make clear the procedure for reviewing those arrangements periodically.

Recruitment of new staff

Organisations will ensure that appointments to non-guaranteed hours arrangements will be based on merit through fair and open recruitment processes.

Arranging and planning work

It is expected that organisations will provide as much notice as possible when asking staff on non-guaranteed hours arrangements to undertake work. This may however on occasions reasonably be the day when the staff member is needed to attend work for example to cover a sickness absence. Where work is arranged at short notice, organisations will commit to letting people know as soon as practicable that work is on offer.

In other cases, the arrangements for arranging forward work rotas will be clearly defined and shared with all staff. There will be clear criteria on issues such as allocating work fairly and consistently between staff, and these arrangements will be reviewed periodically by senior staff to ensure fairness and equality for all staff engaged through these processes.

Staff will not be under any obligation to accept work offered to them and organisations will give appropriate consideration to their other responsibilities such as studies, child care or other caring responsibilities. Staff who do not accept work for whatever reason will not suffer a detriment as regards being offered work in the future.

Council Position

Core Services - Our core services are not solely delivered on this basis.

Policy Statement – we haven't got this as yet – but will look to do so

We already have a process whereby we advertise our vacancies – for NGH posts

Arranging & planning work – majority of our business areas use rotas and provide notice to staff in their planning arrangements.

Principle

3. Staff engaged through non-guaranteed hours arrangements will have access to appropriate induction, training and development support to enable them to undertake their roles effectively.

Staff engaged in delivering public services require appropriate training and development to enable them to carry out their work effectively. This applies equally to staff engaged on

non-guaranteed hours arrangements. Organisations will consider what induction and training arrangements are required for staff engaged on non-guaranteed hours arrangements. Appropriate induction and training will be provided as soon as the staff are engaged, and reviewed and updated as and when required. Staff will be paid for undertaking any required induction and training relevant to the role being undertaken.

Guidance

Induction and ongoing training and development

Induction training will be provided to enable individuals to undertake their roles effectively. Where training and development opportunities are available for equivalent roles, organisations will provide similar opportunities to staff engaged on non-guaranteed hours arrangements if these are relevant to the roles being undertaken.

Any induction and training identified as being necessary for undertaking non-guaranteed hours roles will be paid.

Staff on non-guaranteed hours arrangements will be allocated a named “line manager”¹. There will be the opportunity to meet, discuss and record at least annually the key achievements and challenges experienced by the individual in fulfilling the duties allocated and set out any career aspirations they may have for the future.

Council Position

Our Induction Programme is for all.

CICO – whole purpose is so that no matter how many hours an employee works – they can have a meaningful conversation/discussion about what they do / how they perform and how we can support an individual in the workplace including training.

Principle

4. Organisations will ensure that they comply with employment law and collective bargaining agreements and provide their staff with the required rights, terms and benefits.

Organisations have a duty to comply with legislation and collective bargaining agreements covering their staff. All staff engaged on non-guaranteed hours arrangements will have clear and accessible contracts which set out the terms for their engagement and what the relationship is between the organisation and its staff. Staff with a contract of employment (including non-guaranteed hours contracts) must be explicitly part of the collective bargaining arrangements. All staff will be encouraged to join the appropriate trade union in accordance with Workforce Partnership Council agreement – ‘Partnership and Managing Change’².

Guidance

Cancelling work at short notice

Organisations will agree with their recognised trade unions appropriate arrangements for compensating staff when work is cancelled by the organisation at short notice. This will include covering costs incurred by staff, for example caring costs and travel costs.

Pensions

Organisations are required to auto enrol all eligible staff into a qualifying pension arrangement. Organisations will agree with their recognised trade unions appropriate pension arrangements which will apply to staff on non-guaranteed hours arrangements and set these out clearly and transparently in recruitment information and terms of appointment.

Opportunities to seek permanent employment

Organisations will have clear procedures in place to enable staff engaged on non-guaranteed hours arrangements to be able to transition into permanent roles and/or apply for relevant permanent vacancies where such opportunities exist.

Council Position

Cancelling work at short notice – need to clarify with business areas to clarify this issue and ensure arrangements put in place

Pension – auto enrolment is in place

Permanent vacancies – we are an equal opportunities employer – and as such all our vacancies are advertised and open for all to apply.

Principle

5. Staff engaged through non-guaranteed hours arrangements will have terms and conditions of service broadly similar to those of their permanent staff.

Appropriate non-guaranteed hours arrangements will provide broadly similar terms and conditions of service to those afforded to permanent staff. Differences may be appropriate in respect of some issues i.e. a payment to recognise statutory annual leave entitlement where it is not expected that staff engaged on short-term work will be able to take leave during the period of work.

Guidance

Pay progression

Organisations are required by law to ensure their pay arrangements comply with equal pay legislation.

Leave and statutory holiday pay

Organisations will have clear policies enabling staff engaged on these types of arrangements to be able to take annual leave. Where it is not possible to arrange such entitlement to leave during the period of work, a payment will be made to reflect the individuals entitlement to statutory holiday pay at the end of the period of work or at the end of the individual's annual leave period.

Council Position

Terms & Conditions – applies to all employees. Holiday & sickness entitlements are calculated based on service in accordance with Green Book Terms and Conditions of Employment.

Post Description	Count of Employee Number
Administrative Assistant	1
Assistant Sports Coach	2
Bar/Catering Assistant	1
Before School Club Assistant	1
Care Assistant	6
Casual Bar / Catering Staff	1
Casual Cashier/Receptionist/Bar Person	2
Casual Driver	1
Casual event assistant	1
Casual Leisure Assistant	24
Casual Seasonal P/T Assistant Warden	3
Casual Sport & Phys Activity Coordinator	1
Casual Sport & Physical Activity Leader	11
Catering and Visitor Assistant 600 hours	2
Catering Assistant	1
Cleaner - Casual - as and when required	4
Community Lettings Officer	1
Community Meals Provider	1
Cook	1
Cook / Supervisor	1
Curriculum/Resource Support Officer	1
Custodian	3
Design + Technology Art Technician	2
Disability Sports Mentor	1
Domestic	5
Exam Invigilator	67
Facilities Assistant	1
Fitness Instructor	3
HGV Driver (Caldicot)	1

Home Care Assistant	3
Individual Support Service Assistant	6
Kerbcraft Assistant	1
Kerbcraft Supervisor	1
Leisure Assistant	5
Leisure Tutor	1
Maintenance Assistant	1
Midday supervisor	16
Midday supervisor – Casual	1
Mini Bus Driver (Term Time only)	1
Mobile Hygeine Cleaning Operative	1
MY DAY ASSISTANT WORKER	3
My Day My Life Support Worker	3
Night Care Assistant	1
Outreach Tutor	1
P/T Custodian	2
PCV Driver	2
Principal Librarian	1
Registration Officer	3
Relief Catering Assistant - SHIRE HALL	1
Relief Chauffeur	2
Relief Community Meals Provider	1
Relief Custodian	2
Relief School Crossing Patroller (0 Hrs)	1
Relief TIC Receptionist 0 Hrs	1
Residential Services Officer	2
Residential Services Officer- Night Bank	1
Respite Opportunities Support Assistant	2
School Administrator	3
Seasonal Assistant Warden	1
Sessional Worker – YOT	8
Social Care Assessor	1

Supply Library and Information Assistant	2
Supply Library Assistant	1
Teaching Assistant	16
Outdoor Instructor	5
Adult Tutor	17
Swimming Instructor	13
SUPPLY TEACHER	35
Grand Total	318

**EMPLOYING PEOPLE
& CONTRACTS OF EMPLOYMENT
PROTOCOL**

GUIDANCE FOR MANAGERS

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CONTRACTS OF EMPLOYMENT

Protocol for Managers

PURPOSE & SCOPE

This guidance aims to provide information & support to managers on the application of the correct type of contract of employment. The purpose of the guidance is to ensure legal compliance and to ensure that the right contract is issued to a worker in Monmouthshire County Council. This ensures that there is a consistent approach to the way in which sick pay and holiday pay is calculated and implemented across the organisation.

In terms of the legal context the Working Time Regulations (WTR) (1998) sets out parameters regarding working hours, statutory entitlement to paid leave for most workers and a number of other related issues. It is against this background that the guidance has been developed.

TYPES OF WORKERS

Permanent Employees

A permanent employee is a full time or part time individual who is employed by the Authority on a permanent contract. The employee will have full employment rights in line with current legislation, as outlined in their statement of particulars. There is no expected end date of their employment and they will accrue continuous service.

Permanent employees will accrue all relevant entitlements and benefits in line with Monmouthshire County Council's terms and conditions i.e. sick pay and annual leave.

Fixed Term Employees

A fixed-term contract is one that ends on a specified date or on the occurrence of a particular event such as the loss of funding or the completion of a task. A fixed term employee can be a temporary replacement for an absent employee whose contract will terminate upon the return of the regular employee. After four years' continuous service in a fixed term position the manager should refer to People Services for advice and guidance, as the employee will be entitled to permanent status.

Employees recruited on such a contract should be done so on the basis that there is a fixed period for which the work is expected to last and that the weekly hours are definitive e.g. to cover maternity leave or an externally funded project.

Fixed term employees will be entitled to the same benefits as a permanent worker, i.e. annual leave and sick pay.

Term-Time Employees

A term-time contract is defined by an employee working only during periods that coincide with the school terms and is not required to work during school holidays. Term-time employees will be employed based on the number of weeks they work per year and remuneration (pay) will be calculated on a pro rata basis which will be inclusive of their annual leave entitlement.

As part of their contract of employment, term-time employees will not be permitted to take leave during school term time but will be entitled to the same other benefits of the Local Authority such as sick pay.

Temporary Employees

Temporary contracts will have no expectation of permanence as the termination date or the event on which the employment will terminate is known. An employee on a temporary contract will accrue continuous service from the start date of that contract.

Temporary employees will be entitled to sick pay, annual leave and the range of other benefits the Local Authority offers, where applicable.

An employee should be recruited on a temporary contract if the work is expected to be of a temporary nature (but the end date may not be known) e.g. to cover a period of sickness of a permanent employee. Contractual hours should be stipulated for the purposes of a temporary contract.

Casual / Relief Employees

Casual/ Relief employees should be recruited as a way of dealing with a variable need for work - which can often not be predicted or planned for by the business or service area. Employees recruited on this basis should only be used on an ad hoc basis and will not work regularly and consistently. No contractual or implicit hours should be stipulated as part of relief or casual work.

Casual/Relief employees will not be entitled to annual leave, sick pay or bank holiday entitlements. Casual/Relief employees do not benefit from the range of entitlements to which other employees of the Local Authority are entitled, due to the fact that they do not work a regular pattern of hours.

Managers should regularly monitor the hours that are worked by any casual/relief employees employed in their business/service area and termination paperwork completed routinely when the employee is no longer required, to ensure there is an accurate record of all current employees. If casual/relief employees start to work a regular and consistent pattern of hours then a manager needs to review the requirement for the work being undertaken, and if necessary, a temporary contract of employment be issued. If casual/relief employees build up regular and consistent hours then this will mean that they will be entitled to annual leave, sickness pay and a redundancy liability may be incurred for the business area.

Part Time Employees

A part time employee will be defined as such if they work fewer hours than the Local Authority's normal full time hours (37 hours per week). Part time employees will not be treated less favourably than comparable full time workers, nor will they be entitled to any benefits which exceed a full time equivalent worker.

Agency Workers

The Local Authority has a contract to source all agency workers. All requests for agency workers must be approved by the relevant DMT. All administration relating to annual leave and sick pay will be administered by the contractor directly. It should be understood that Agency Workers are not employees of the Local Authority.

GENERAL PRINCIPLES

When recruiting, a manager should carefully decide the type of contract that would best suit the required need to ensure efficiency of the service. Due consideration should be given throughout the duration of any contract that is not permanent to ensure that it is still fit for purpose and meets the need of the service or business area.

Managers should change the nature of the contract if the situation changes e.g. a casual or relief employee who has started to pick up regular shifts as a result of sickness should be terminated as a relief employee and given a temporary contract.

ABSENCE

Permanent, Fixed Term, Term-Time and Temporary employees of the Monmouthshire County Council are entitled to the following sick pay benefits, dependent on their length of service:

1st year – 1 month full pay and (after 4 months service) 2 months half pay

2nd year – 2 months full pay and 2 months half pay

3rd year – 4 months full pay and 4 months half pay

4th and 5th year – 5 months full pay and 5 months half pay

After 5 years – 6 months full pay and 6 months half pay

Sickness entitlement is calculated on a rolling 12 month basis, which starts on the first day of sickness absence looking back a calendar year.

Periods of absence in respect of industrial injury arising out of, or in the course of, employment with Monmouthshire will not be counted for the purpose of calculating entitlement to sick pay.

All sickness and absence periods must be submitted as part of the Manager's weekly sick returns to People Services.

The Attendance Management Policy can be found on the People Services HUB and provides guidance on how to manage short term and long term employee absence. This policy applies to all types of employees.

HOLIDAYS

ANNUAL LEAVE ENTITLEMENT

Basic – 23 days per year

After 3 years' service - 25 days

After 5 years' service - 27 days

After 8 years' service - 30 days

Annual leave and bank holiday entitlements will be calculated on a pro-rata basis for part time staff.

All annual leave should be taken during the year in which it is accrued. A maximum of five days may be carried over from one entitlement year to the next (pro-rated for part time staff).

Each calendar year employees are entitled to 8 statutory bank holidays and 2 extra statutory bank holidays.

Part time staff should be given a pro rata entitlement for bank holidays which will be added to their annual leave entitlement. Part time workers whose normal rota day falls on a bank holiday will be expected to deduct their normal working hours for that day from their entitlement.

Term-time only staff do not take any leave during term time; they are instead paid a pro rata amount of annual leave included in their monthly salary, in order to take leave outside term time.

PAYMENT FOR ANNUAL LEAVE ON TERMINATION OF EMPLOYMENT

If an employee leaves Monmouthshire's employment part way through their entitlement year their annual leave entitlement will be calculated on a pro rata basis up until their termination date (based on completed months only). Colleagues are encouraged to take the annual leave to which they are entitled before terminating with Monmouthshire County Council. Only in exceptional circumstances will employees be entitled to be paid for any accrued annual leave that they are unable to take before the date of termination, in such cases this request must be detailed on the termination form which is completed by the manager and sent to People Services.

If, on the date of termination, an employee has taken annual leave in excess of their pro rata entitlement, then they will be required to reimburse Monmouthshire by means of deduction from their salary in respect of any excess annual leave taken. A manager would request this on completion of the termination form.

It is important that all annual leave is managed appropriately so that the risk of outstanding annual leave or taking more than accrued is limited.

When an employee finishes employment all outstanding holiday pay that has been accrued but not taken must be paid.

HOLIDAYS AND SICK LEAVE

An employee who is absent due to sickness will continue to accrue their contractual annual leave entitlement. However, only annual leave up to the statutory entitlement (28 days including bank holidays) as provided by the Working Time Regulations (1998) can be carried over from one leave year to the next. This will be pro-rated for part time employees. Any leave carried over must be taken in the following year and Monmouthshire may require an individual to take the leave on particular days.

Example 1 - Full Time Equivalent

Employee A is entitled to 40 days leave (30 days annual leave + 10 bank holidays).

Employee A has taken 5 days annual leave and shortly after returning to work is then sick for nine months, returning 2 weeks before the end of the leave year.

Although the employee has 35 days in total left only 28 days can be carried over to the following leave year.*

Employees who are sick must only be allowed to carry over 5 days annual leave if they have previously taken their statutory allowance of 28 days, inclusive of bank holidays, and do not return before their next entitlement year.

Example 2 - Full Time Equivalent

Employee B is entitled to 40 days leave (30 days annual leave + 10 bank holidays).

Employee B has taken 30 days annual leave and is then sick until the next leave year.

Although the employee has 10 days left in total, only 5 days can be carried over to the following leave year.

**Where an employee returns to work following long term sick leave, any annual leave accrued should be taken in the same leave year where practicable. Monmouthshire may require an individual to take all or part of the accrued leave on particular days in the interest of service delivery.*

An employee on sick leave may request to take their accrued annual leave entitlement while on sick leave. This must be approved by the employee's GP and evidence of this submitted to the manager who will then approve any dates. This will not impact on the employee's entitlement to paid or unpaid sick leave. However, it will be deducted from the annual leave allowance and

not be classed as sick leave. It is the responsibility of a manager to inform People Services that an employee is on annual leave instead of sick leave (via MY VIEW sick returns) during this time as it may affect the rate of pay.

Employees on paid or unpaid sick leave should be aware that if they participate in activities that are inconsistent with their stated reasons for being sick or activities that worsen or prolong their absence, which could include travel and holidays, Monmouthshire County Council reserves the right to stop statutory sick pay and/or occupational sick pay, and in some cases this could result in disciplinary action.

IMPLEMENTATION OF HOLIDAY PAY

Case Law and Employment Appeal Tribunals have necessitated a revision of how certain additional payments are treated. Applicable in Monmouthshire since 1 April 2015, the basic principle is that if an employee regularly and consistently receives additional payments as part of their role then these payments need to be included when calculating holiday pay. This is because the individual should not be at a financial detriment because they are on leave or are sick.

It should be stressed that this principle hinges on whether the payments are regular and consistent. If so then consideration also needs to be given whether these payments should be included in the contracted salary.

- Appropriate overtime is included in workers holiday pay.
- Managers need to ensure that entitlements are paid to workers where relevant and in accordance with this document.
- A quarterly reference period (12 weeks) will apply
- This calculation will only apply to annual leave up to 20 days (4 weeks)

DEFINITIONS

OVERTIME - generally means any work over the basic contractual 37 working hours per week.

ADDITIONAL HOURS - any work over the contracted basic working hours of part-time workers i.e. those whose contract is less than 37 hours per week. Overtime only becomes applicable to part time workers once these additional hours, added to the contracted hours, exceed the normal working hours of full-time staff i.e. more than 37 hours per week.

Important note 1: If overtime/additional hours are consistently and regularly worked and paid over a prolonged period e.g. 12 weeks, they must be included when calculating annual leave and sick pay.

However, if the nature of the work involves predictable peaks and troughs e.g. seasonal work, a longer reference period may be used. The key is that the period used should be an accurate reflection of the overall average hours worked by the individual. If you have any queries about using a longer reference period please speak to People Services HR.

Important note 2: If employees regularly and consistently work overtime/additional hours this should be covered by a separate temporary or fixed term contract.

NON-GUARANTEED OVERTIME

Non-guaranteed overtime is where there is no obligation by the employer to offer overtime but if they do then the worker is obliged by the contract to work overtime. Example – covering a rota.

GUARANTEED OVERTIME (contractual)

Guaranteed overtime is where the employer is obliged by the contract to offer and pay for agreed overtime. Guaranteed overtime must be included within the calculation of holiday pay. Our practice in Monmouthshire is that this is already included in the calculation of holiday pay.

VOLUNTARY OVERTIME (regular and occasional)

Voluntary overtime is where the employer asks the worker to work overtime and the worker is free to turn down the request as there is no contractual obligation on either side to offer or refuse overtime. The question of voluntary overtime has not been directly considered by any recent judgments, so there is currently no definitive case law to suggest that voluntary overtime needs to be taken into account when calculating holiday pay.

Managers should ensure a good audit trail to evidence **voluntary** element. At any-time workers can refuse to undertake this type of overtime and managers need to plan accordingly. Managers therefore must keep this type of overtime under review to ensure compliance with legislation. Managers must consider on a regular basis the definition of overtime and how they apply it to their workers.

STANDBY

Standby payments are payments made to workers on a regular basis for being available to be called out when needed. This payment is made irrespective of whether the worker is called out or not, and is paid irrespective of whether the worker is on holiday or not.

Therefore, stand-by is not included in holiday pay directive (as this would be double counting) but any overtime worked whilst on stand-by will be included.

EMERGENCY CALL OUT

Emergency call out is where there is an expectation on the worker (separate to any standby arrangement) that they will respond to an emergency situation outside normal working hours. Example: severe weather conditions; alarm call outs.

Managers need to keep under review how they cover these situations and the definition of emergency call out.

Calculating holiday pay for different working patterns

No matter the working pattern a worker should still receive holiday pay based on a 'week's normal remuneration'. This usually means their weekly wage may include allowances or similar payments.

- For workers with fixed working hours – if a workers working hours do not vary, holiday pay would be a week's normal remuneration.
- For workers with no normal working hours – if a worker has no normal working hours then their holiday pay would still be a week's normal remuneration but the week's pay is usually calculated by working out the average pay received over the previous 12 weeks in which they were paid.
- For shift workers – if a worker works shifts then a week's holiday pay is usually calculated by working out the average number of hours worked in the previous 12 weeks at their average hourly rate.

SUBJECT: EARLY DEPARTURES 2015/16

MEETING: Audit Committee

DATE: 15th December 2016

DIVISION/WARDS AFFECTED: Countywide

1. PURPOSE:

- 1.1 To provide Audit Committee members with supplementary information on early departures.

2. RECOMMENDATIONS:

- 2.1 That Audit Committee receive supplementary information on early departures for the year ended 31st March 2016.

3. KEY ISSUES:

- 3.1 Audit Committee members have previously requested that further information relating to early departures be provided on an annual basis to supplement information contained within the Authority's annual accounts.
- 3.3 At its September meeting the Audit Committee received the Authority's 2015/16 Annual Accounts which contained disclosures around termination benefits, which result from early departures, and exit packages. For ease of reference these have been reproduced and are contained in appendix 1.
- 3.4 Early departures principally arise as a result of redundancies taking place. A redundancy will only occur if an employee has been unsuccessful in being redeployed in line with the Protection of Employment policy. The majority of redundancies take place as a result of restructurings taking place, either through compulsory redundancies or where staff have offered to take redundancy as part of a restructuring. Other reasons for redundancies would be where grant funding ceases or where a temporary or fixed term contract comes to an end. In exceptional circumstances the Authority will look to terminate employment through a settlement agreement being negotiated.
- 3.5 In order to put these disclosures into context an analysis has been undertaken such as to provide Audit Committee members with further information. Table 1 below provides a summary of the early departures that took place in 2015-16 by directorate and grade.

Table 1: Early departures by Directorate and Grade

	Count
CHILDREN AND YOUNG PEOPLE	
0-4999	8
5000-9999	2
10000-14999	8
15000-19999	9
20000-24999	1
30000-39999	11
50000-59999	2
60000-69999	2
CHILDREN AND YOUNG PEOPLE Total	43
ENTERPRISE	
5000-9999	1
30000-39999	1
ENTERPRISE Total	2
LEADERSHIP SUPPORT UNIT	
0-4999	3
5000-9999	6
10000-14999	9
15000-19999	7
20000-24999	10
25000-29999	2
30000-39999	4
40000-49999	1
LEADERSHIP SUPPORT UNIT Total	42
OPERATIONS	
0-4999	2
10000-14999	2
20000-24999	1
25000-29999	2
30000-39999	1
OPERATIONS Total	8
RESOURCES	
25000-29999	1
RESOURCES Total	1
SOCIAL CARE and HEALTH	
10000-14999	1
15000-19999	1
20000-24999	1
SOCIAL CARE and HEALTH Total	3
Grand Total	99

3.6 Further to table 1 the proportion of employees affected by redundancies by both Grade and Salary Band are shown below:

Table 2: Early Departures by Grade

Row Labels	Count of Employee Number	Numbers in Grade	Proportion %
Band A scp 5-9	2	170	1.18
Band B scp 9 -13	9	543	1.66
Band C scp 13 -17	13	501	2.59
Band D scp 17-21	22	942	2.34
Band E scp 21-25	14	413	3.39
Band F scp 25-29	8	297	2.69
Band G scp 29-33	2	99	2.02
Band H scp 33-37	8	82	9.76
Band I scp 37-41	4	175	2.29
Band J scp 41-45	1	83	1.20
Band K scp 45-49	0	50	0.00
Band L scp 49-53	0	23	0.00
Band M scp 53-57	1	4	25.00
Chief Officer	0	19	0.00
UNQUALIFIED Teacher	0	6	0.00
TEACHERS MAIN PAY SPINE *	0	288	0.00
TEACHERS UPPER PAY SPINE *	11	381	2.89
ASSISTANT HEAD TEACHER**	1	19	5.26
DEPUTY HEAD TEACHER **	1	36	2.78
HEADTEACHER **	1	32	3.13
SOULBURY *	1	7	14.29
Grand Total	99	4170	2.37

Note:

* Teacher and Soulbury grades are appointed on a range of salary points within the listed pay spine.

** The numbers shown are the total number of employees classed as Assistant, Deputy or Head Teacher each is appointed within a range of points dependent on a range of factors such as school size, number of pupils on role

Table 3: Early departures by salary band

Row Labels	Count of Employee Number	Numbers in Grade	Proportion %
0-4999	13	349	3.72
5000-9999	9	410	2.20
10000-14999	20	482	4.15
15000-19999	17	1246	1.36
20000-24999	13	518	2.51
25000-29999	5	284	1.76

30000-34999	6	181	3.31
35000-39999	11	454	2.42
40000-44999	0	45	0.00
45000-49999	1	47	2.13
50000-54999	1	24	4.17
55000-59999	1	16	6.25
60000-64999	0	13	0.00
65000-69999	2	8	25.00
70000-74999	0	7	0.00
75000-79999	0	3	0.00
80000-84999	0	4	0.00
85000-89999	0	2	0.00
90000-94999	0	0	0.00
95000-99999	0	1	0.00
100000-104999	0	1	0.00
105000-110000	0	0	0.00
110000+	0	1	0.00
Grand Total	99	4096	2.42

Note:

The difference in the totals in Tables 2 and 3 refer to the fact that we have employees with more than one post e.g. one post being Band A, another being Band C, with respective salary ranges of 0-4999 and 5000-9999.

3.7 The gender breakdown for the 99 early departures was 20 males and 79 females. Further information is contained in appendix 2.

3.8 Members will be aware that all restructures would have been reported to Cabinet for approval.

4. REASONS:

4.1 To provide Audit Committee members with up to date information on early departures.

5. RESOURCE IMPLICATIONS:

5.1 There are no resource implications directly arising as a result of this report. However, as reported in the 2015-16 annual accounts, the total cost of exit packages amounted to £1,691,000 (£1,796,000 in 2014-15). This includes enhancements relating to pension strain costs amounting to £416,000 (£595,000 in 2014-15) though this will be paid to the pension fund over a 5 year period. It also includes payments made by way of settlement agreement to terminate employment of £90,000 (£56,000 in 2014-15).

5.2 The significant level of redundancy costs are a direct consequence of the significant changes resulting from the reshaping of services required to allow the Authority to manage within a reduced funding environment.

5.3 A review of earmarked reserves was approved by Cabinet in July 2016. As reserves have been depleted in recent years and to ensure that earmarked reserves remain adequate for the Medium Term Financial Plan there is a need for increased workforce planning and redeployment to reduce the need for reserves to cover redundancies.

5.4 The protocol for the management and control of the Redundancy and Pension earmarked reserve requires a business case for changes to posts/structures which leads to associated redundancy or pension strain costs. Business cases need to demonstrate ongoing saving as a result, to be paid for if possible from savings arising from the restructure.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

6.1 This report is not a decision making report and is only providing information to Audit Committee members. There are no sustainability or equality implications to be assessed. Such implications would have been considered as part of any decisions to affect staff changes as a result of restructuring etc.

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS:

7.1 This report is not a decision making report and is only providing information to Audit Committee members. There are no safeguarding or corporate parenting implications to be considered.

8. CONSULTEES:

Head of People Services and Information Governance

9. BACKGROUND PAPERS:

Appendix 1 – 2015/16 Annual Accounts extract – Termination benefits

10. AUTHOR:

Peter Davies – Chief Officer, Resources

11. CONTACT DETAILS:

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16.10 Termination Benefits

The Code does not set out a precise definition of exit packages and authorities need to consider the relevant departure costs that have been recognised in the financial statements in accordance with the Code's requirements on termination benefits.

Termination benefits are defined as amounts payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Code sets out that the form of the employee benefit does not determine whether it is provided in exchange for service or in exchange for termination of the employee's employment.

Total Cost of Exit packages reflects redundancy payments, settlement agreements to terminate employment, and any strain costs associated with the agreed enhancement of post-employment pension benefits.

2015-16	No. of Compulsory Redundancies agreed	No. of other departure costs agreed	Total Cost of Exit Packages in each payband	
Exit package Cost band				£000's
£0 - £20,000	62	1	463	
£20,001 - £40,000	29	1	785	
£40,001 - £60,000	6	1	274	
£60,001 - £80,000	1	0	67	
£80,001 - £100,000	0	0	0	
£100,001 - £150,000	1	0	102	
Total	99	3	1,691	

2014-15 (Restated)	No. of Compulsory Redundancies agreed	No. of other departure costs agreed	Total Cost of Exit Packages in each payband	
Exit package Cost band				£000's
£0 - £20,000	41	1	289	
£20,001 - £40,000	22	2	597	
£40,001 - £60,000	6	0	273	
£60,001 - £80,000	6	0	423	
£80,001 - £100,000	1	0	98	
£100,001 - £150,000	1	0	116	
Total	77	3	1,796	

Table 4: Gender breakdown by grade

Count of Employee Number	Column Labels		
Row Labels	F	M	Grand Total
Band A scp 5-9	2		2
Band B scp 9 -13	9		9
Band C scp 13 -17	10	3	13
Band D scp 17-21	18	4	22
Band E scp 21-25	12	2	14
Band F scp 25-29	7	1	8
Band G scp 29-33		2	2
Band H scp 33-37	7	1	8
Band I scp 37-41	3	1	4
Band J scp 41-45		1	1
Band K scp 45-49			0
Band L scp 49-53			0
Band M scp 53-57	1		1
Chief Officer			0
UNQUALIFIED Teacher			0
TEACHERS MAIN PAY SPINE			0
TEACHERS UPPER PAY SPINE	7	4	11
ASSISTANT HEAD TEACHER	1		1
DEPUTY HEAD TEACHER	1		1
HEADTEACHER		1	1
SOULBURY	1		1
Grand Total	79	20	99

Table 5: Gender breakdown by salary band

Count of Employee Number	Column Labels		
Row Labels	F	M	Grand Total
0-4999	13	0	13
5000-9999	8	1	9
10000-14999	18	2	20
15000-19999	12	5	17
20000-24999	10	3	13
25000-29999	3	2	5
30000-34999	5	1	6
35000-39999	6	5	11
40000-44999	0	0	0
45000-49999	1	0	1
50000-54999	1	0	1
55000-59999	1	0	1

60000-64999	0	0	0
65000-69999	1	1	2
70000-74999	0	0	0
75000-79999	0	0	0
80000-84999	0	0	0
85000-89999	0	0	0
90000-94999	0	0	0
95000-99999	0	0	0
100000-104999	0	0	0
105000-110000	0	0	0
110000+	0	0	0
Grand Total	79	20	99



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

**DIRECTORATE: Chief Executives
MEETING: Audit Committee
DATE: 15th December 2016
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 June 2016.
- 1.2 To inform the Audit Committee of the number of waivers requested by operational managers and to identify any non compliance with the process or adverse trends.

2. RECOMMENDATION(S)

- 2.1 That the 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 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.
- 4.2 The previous report was presented to Audit Committee in June 2016. This report covers the period June 2016 to October 2016.

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 The following table shows the requests for exemptions from CPRs since the revised CPRs were approved by Council.

Period		No' of exemption requests	Cumulative
1 st April 2009	31 st August 2010	41	41
1 st September 2010	31 st August 2011	19	60
1 st September 2011	31 st August 2012	32	92
1 st September 2012	31 st March 2013	10	102
1 st April 2013	31 st October 2013	16*	117
1 st November 2013	31 st May 2014	15	132
1 st June 2014	31 st October 2014	9	141
1 st November 2014	31 st May 2015	33	174
1 st June 2015	31 st October 2015	5	179
1 st November 2015	31 st May 2016	15	194
1 st June 2016	31 st October 2016	13	207

* (includes 111a) and 111b))

5.4 The majority of exemption forms have been returned to Internal Audit although there are some which are still outstanding so it is not possible to determine whether or not the correct procedures have been followed in all cases.

5.5 This process will only capture the exemptions which have been requested via and returned to Internal Audit.

5.6 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
- Return the fully signed off and approved form to Internal Audit

6. EXEMPTIONS – June 2016 to October 2016

6.1 Of the 13 requested exemptions, 5 have not been returned to Internal Audit.

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

6.3 8 out of 8 returned forms had been appropriately authorised. This is reassuring in that the managers who are aware of the process are following the correct process.

6.4 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. RESOURCE IMPLICATIONS

None.

8. CONSULTEES

Head of Finance

Results of Consultation:

9. BACKGROUND PAPERS

Report to Council 2nd April 2009 – Contract Procedure Rules

10. AUTHOR AND CONTACT DETAILS

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AUDIT COMMITTEE DECEMBER 2016

CONTRACT PROCEDURE RULES - EXEMPTIONS

APPENDIX 1

**Contract Procedure Rules
Exemption Forms Log**

		Period	Exemption Ref
Report 1	Jan-11	April 2009 to 31 Aug 2010	1 – 41
Report 2	Nov-12	September 2010 to August 2011	42 – 60
		September 2011 to August 2012	61 – 92
Report 3	May -13	September 2012 to March 2013	93 – 102
Report 4	December -13	April 2013 to October 2013	103 - 117
Report 5	July 2014	November 2103 to May 2014	118 - 132
Report 6	December 2014	June 2014 to October 2014	133 - 141
Report 7	July 2015	November 2014 to May 2015	142 - 174
Report 8	December 2015	June 2015 to October 2015	174 - 179
Report 9	June 2016	November 2015 to May 2016	180 - 194
Report 10	December 2016	June 2016 to October 2016	195 - 207

June 2016 to October 2016 [Exemptions 195 - 207]

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
195	Mark Holley	Passing immobile property recovery work to third party (OPUS), who are no win no fee. OPUS are existing supplier. Existing arrangement is invoicing in house (Highways undertake work and invoice).	10% of whatever spend (Highways Repairs - OPUS to retain 10% "no win no fee"	CEO	06/07/2016			
196	Mark Hand	Update key elements of the Monmouthshire Retail & leisure Study. Provider has specialist and extensive knowledge of the area and compiled the 2010 report.	14,150	I&E	15/07/2016	Y	19-8-16	
197	Craig Williams	Specialist provider developing long term, practice led improvement in Children's Social Services	£7,584	SCH	02/08/2016	Y	10/08/2016	Re-commissioning of IPC to extend recent contract work to further develop statement of intent for children's social services and model of social work practice. Use of specialist existing supplier IPC would enable urgent completion of work without disruption to services.

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
198	Ian Hoccom	Access to compliant dynamic purchasing system for construction, operation & maintenance of solar farms	£25,000	Resources	22/08/2016	Y	24/08/2016	Public Power Solutions service chosen for reasons of specialism, cost, exposure to market and experience of delivering within tight timescales.
199	Jane Rodgers	Member of staff deliver business case aims with regards to fostering	£39,000	SCH	Not known	Y	16/09/2016	Due to member of staff being commissioned on an urgent basis as a 'specialist provider'.
200	Rachel Jowitt Waste Strategy & Resources Manager	to procure My Council Services module to support garden waste	£23,000	Regen & Culture	27/09/2016			
201	Steve Lane	to procure second hand Unimog vehicle to replace one which is uneconomical to repair	c. £40,000	CEO	28/09/2016	Signed by R Hoggins	03/10/2016	Specialist provider (rare vehicle specification, unlikely to have opportunity to buy >1 of similar age/condition/mileage).
202	Steve Lane	Trial of Archway Roadmaster, a one man pothole repair system	c. £13,000	CEO	17/10/2016	Yes	20/10/2016	Specialist provider (only known provider of this system)

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
203	Matthew Lewis	Services of biodiversity consultant for temp period to supplement internal resources	£9,972	ENT	17/10/2016	Y	28/10/2016	Specialist provider (expert knowledge & short term contract)
204	Will McLean	additional resource to review, redesign and re-provide our Additional Learning Needs services. The market in Wales is exceptionally limited and the policy divergence with England has further reduced the available pool of expertise.	O/S	CYP	21/10/2016			
205	Nicola Edwards	Commissioning of a web developer to upgrade the visitmonmouthshire.com website to a fully responsive template with funding secured from Welsh Government. There is a need to commission the existing supplier so we can continue to access / update the Wales Tourism Product Database for which we're a data steward	£32,500 (over 3 yrs)	ENT				

Number	Requester	Details / comment	Estimated Contract Value £	Directorate	Date	Correctly authorised	Date Returned to Internal Audit	Reason for exemption
206	Jane Rodgers	Specialist fostering consultant for Children's Services. The grounds for the exemption sought are in relation to The Pollen Shop being commissioned on an urgent basis as a 'specialist provider'. The Pollen Shop are being asked to provide 'urgent' additional support, to increase the pool of specialist foster carers in Monmouthshire and to ensure that the full financial and operational benefits of the project are achieved in a timely manner.	£10,560	SCH	28/10/2016	Y	01/11/2016	Specialist Provider and urgent
207	Damien Weeks	Looking to award a di-Minimis bus service contract which we are not required to tender but does require an exemption form be signed	tbc	CEO	31/10/2016			

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SUBJECT: Strategic Risk Assessment 2016

MEETING: Audit Committee

DATE: 15th December 2016

DIVISIONS/WARDS AFFECTED: All

1. PURPOSE:

- 1.1 To provide members with an overview of the current strategic risks facing the authority as provided in appendix 1.

2. RECOMMENDATIONS:

- 2.1 That members consider the strategic risks presented for the next three years, in particular those of relevance to the committee and scrutinise the extent to which:
- all relevant risks facing the authority are appropriately captured,
 - the level of risk applied is appropriate based on the matrix in the council's risk management policy and guidance (appendix 2) and
 - mitigating actions are proportionate and appropriate
- 2.2 That members use the risk assessment on an on-going basis to hold the responsibility holders to account to ensure that risk is being appropriately managed.
- 2.3 Use the risk assessment to inform the future work programme of the committee.

3. KEY ISSUES:

- 3.1 The risk assessment ensures that:
- Strategic risks are identified and monitored by the authority.
 - Risk controls are appropriate and proportionate
 - Senior managers and elected members systematically review the strategic risks facing the authority.
- 3.2 The existing risks on the Strategic Risk Assessment have been updated based on evidence available in 2016, as presented at Appendix 1. Changes to the council's risk management policy were approved by Cabinet in March 2015 and continue to be applied to the strategic risk register. These are:
- including pre-mitigation and post-mitigation risk scores, this was also a key recommendation from scrutiny of the 2014 risk assessment
 - ensuring greater clarity to the phrasing of risk so that each statement includes an event, cause and effect as shown below:

Event	Cause	Effect
Risk of...Failure to...Lack of ...Loss of...Uncertainty of ...Inability to...Delay in...	Because of...Due to...As a result of...	Leads to...and/or... result in...

3.3 The risk assessment only covers high and medium level risks. Lower level operational risks are not registered unless they are projected to escalate within the three years covered. These need to be managed and monitored through teams' service plans. The pre and post mitigation risk levels are presented separately. In most cases mitigating actions result in a change to the likelihood of the risk rather than the consequences as our actions are generally aimed at reducing the chance of a negative event occurring rather than lessening it's impact. Clearly there will be exceptions.

3.4 Following presentation to select committees and audit committee, the risk assessment will be presented to Cabinet for sign off. The risk assessment is a living document and will evolve over the course of the year as new information comes to light. An up-to-date risk log is accessible to members on the Council's intranet - The Hub. This will ensure, as well as the ongoing specific scrutiny of the risk assessment annually, that select committees are able to re-visit the information at any point in the year to re-prioritise their work plan as appropriate.

4. REASONS:

4.1 To provide timely and contributory information to the authority's performance management framework in ensuring that the authority is well-run and is able to contribute to achieving sustainable and resilient communities.

5. AUTHORS:

Richard Jones, Policy and Performance Officer
Matthew Gatehouse, Policy and Performance Manager

6. CONTACT DETAILS:

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Appendix 1

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigation already undertaken	Future Actions and timescales	Risk Level (Post – mitigation)				Service & Risk Owner	Cabinet Member	Select Committee
			Year	Likelihood	Impact	Risk Level			Year	Likelihood	Impact	Risk Level			
1	<p>Potential Risk that:</p> <p>The authority is unable to deliver its political priorities in the future because it does not yet have clarity on its future business model or longer term financial plan.</p>	<p>Work is continuing on the need to address the longer term issue of a reducing resource base as part of the MTFP, there remains a shortfall. At present the outputs from Future Monmouthshire are contributing to 17-18 while the longer-term benefits cannot yet be costed. This means the authority does not have a longer term financial plan and its current business model could become unsustainable in the long term.</p> <p>The council’s partnership administration continuance agreement sets clear priorities and performance expectations in line with these resource priorities, this only extends to 2017.</p> <p>The introduction of the Well-being of Future Generations Act requires us to plan on a decadal and generational basis and our current models do not extend to this timeframe.</p> <p>Continued uncertainty on the future direction of local government make it difficult to plan for the long term.</p> <p>Lack of understanding of the future model of the organisation means it is difficult to develop consistent workforce planning, preparing a workforce plan for the authority is a</p>	2016 /17	Unlikely	Major	Low	<p>Approval has been given for the Future Monmouthshire work which will inform the development of a new business model for the council. The budget setting process for 2017/18 has been informed by this work, the process is developing proposals to balance the budget in 17-18 while in the longer term align resources to the future business model once developed.</p> <p>Future Monmouthshire has set a number of guiding principles that has informed the budget setting process to help ensure that any work and decisions that need to be made in the short term can be consistent with ongoing work to establish the medium and long term picture.</p>	<p>To develop and specify the business model for the authority in the long term through the Future Monmouthshire programme.</p> <p>Following the development of the business model ensure the Council’s key delivery strategies Improvement Plan, MTFP, People Strategy, Asset Management Plan and iCounty Strategy all align to this model.</p>	2016 /17	Unlikely	Major	Low	Paul Matthews	Peter Fox	All
2017 /18	Possible	Major	Medium	2017 /18	Unlikely	Major			Low						
2018 /19	Possible	Major	Medium	2018 /19	Unlikely	Major			Low						

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigation already undertaken	Future Actions and timescales	Risk Level (Post – mitigation)				Service & Risk Owner	Cabinet Member	Select Committee
			Year	Likelihood	Impact	Risk Level			Year	Likelihood	Impact	Risk Level			
		proposal for improvement from Wales Audit Office Annual Improvement report 2015.													
2	Potential Risk that: Some services may become financially unsustainable in the short to medium term as a result of reducing budgets and increasing demand	<p>- The effect of the roll forward of the MTFP model, revised assumptions and pressures, a revised gap of £10.5 million over the period of the plan from 2017/18 – 2020/21 at October 2016 (This is a working target until more information becomes available)</p> <p>- This is after a significant period of financial challenges. Over the last four years the council has had to manage a reduction in service budgets of £18.1 million resulting in achieving further savings becoming increasingly more challenging.</p> <p>-The council’s reserves have fallen by £7.5 million over the past 4 years and there is less opportunity to replenish reserve balances as budgets get tighter,</p> <p>- At the same time pressures on the budget have been increasing in terms of demographic growth, demand, contract price inflation and redundancy costs.</p> <p>- A range of services have identified demand for services is increasing including planning, housing and public protection.</p> <p>- A range of services have identified the risk of not complying with legislative changes for example Welsh Language Standards.</p> <p>- An ageing population and complexity of demand in children’s services will place increased pressure on services.</p>	2016/17	Unlikely	Major	Low	<p>In January 2016 Council approved the budget for 2016/17. This included new mandates developed for 2016/17 and mandates that were already in the MTFP.</p> <p>Overall Net Council Fund at month 6 is reporting a £839,000 deficit, this is an improved position against the month 2 position. The deficit at month 6 is also an improvement on the equivalent position last year. This is significantly affected by council tax receipts and treasury improvements. The net cost of services is reporting a 1.36% (£1,966,000) overspend. Social Care & Health is reporting an overspend at month 6 (£1,070,000 million). In social care & health there are recovery plans in place across adults and children’s services, opportunities to seek other funding and use external funding streams where possible are being explored and existing budgets are being reviewed to see how they can be prioritised.</p> <p>Directorates are continuing to review the levels of over and underspends and reallocate budgets to reduce the extent of compensatory positions needing to be reported from month 6 onwards.</p>	<p>- Ensure that services deliver within the budgets and deliver savings targets - Monitor progress against existing mandates that are part of the MTFP and report progress to Cabinet and Select Committee quarterly.</p> <p>- All services to model savings for 2017-18 based on an updated process aligned to Future Monmouthshire</p> <p>- Ensure that the detailed business cases that will deliver the budget proposals are fully costed, stress-tested and managed</p> <p>- Consider how best to use capacity fund and any external funding sources to supplement the change programme required</p> <p>- Review contractual arrangements to balance stability, value for money & risk</p> <p>- Implement a three year service and financial plan in children’s services to ensure the service is able to deliver a balanced budget and continue to develop workforce practice.</p> <p>- Continued identification of pressures, including an assessment of any ongoing pressures in the current year’s budget. These will be rigorously reviewed and challenged.</p> <p>- Continue to Implement the income generation strategy. Use the ideas listed in the appendix to the income generation</p>	2016/17	Unlikely	Major	Low	Joy Robson	Phil Murphy	All
			2017/18	Possible	Major	Medium			2017/18	Unlikely	Major	Low			
			2018/19	Possible	Major	Medium			2018/19	Unlikely	Major	Low			

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigation already undertaken	Future Actions and timescales	Risk Level (Post – mitigation)				Service & Risk Owner	Cabinet Member	Select Committee
			Year	Likelihood	Impact	Risk Level			Year	Likelihood	Impact	Risk Level			
		<ul style="list-style-type: none"> - A number of significant pressures are documented that are not currently funded. - Highways and property surveys highlight significant capital demand which is presently unfunded. - In the event of emergency pressures resources will have to be diverted due to lack of capacity in the capital budget - Work is continuing on developing the CCR city deal which will require significant capital investment. 					properties has been created and scrutinised by Economy and Development Select Committee the plan is being reviewed based on the feedback and principles of Future Monmouthshire	capital MTFP taking into account any slippage and the requirement to increase the capital budget for the Future Schools programme (Council report – 20th October 2016).							
4	Potential that the Council does not make sufficient progress in areas of weakness identified by regulators leading to underperformance	<ul style="list-style-type: none"> - Following a positive performance trajectory up until 2014-15 we saw performance plateau with declines in some services in 2015-16. - Gap in attainment between ‘all pupils’ and those eligible for Free School Meals has narrowed in key stages 2 &3 for most indicators but remains a concern in Foundation phase and key stage 4. - The Wales Audit Office Annual Improvement Report (AIR) published in August 2016 concludes “Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the council will comply with the requirements of the measure during 2016-17 provided it continues to maintain the current pace of improvement.” - WAO follow-up inspections on Governance, Performance 	2016 /17	Unlikely	Substantial	Low	<p>Following the Monitoring visit in November 2015, Estyn has judged that Monmouthshire County Council’s education services for children and young people has made strong progress in addressing two of the six recommendations arising from the inspection of November 2012, and satisfactory progress in addressing the other four and concluded that the authority is no longer in need of special measures</p> <p>The Council has created action plans to set out responses to address relevant proposals in the reports that have been published by WAO, as part of the Council’s established proposal monitoring arrangement. The most recent update on progress is being completed for audit committee in December 2016, with many proposals requiring further work to address them</p>	<ul style="list-style-type: none"> - Manage our actions in response to Estyn, CSSIW and WAO via existing mechanisms. -Ensure a continued focus on the issues referenced in the Estyn monitoring visit letter in January 2016 - Ensure the commissioned arrangements with the EAS address the authority’s concerns in challenging and supporting schools - Report Proposals for improvement and overview of performance arrangements to audit committee. 	2016 /17	unlikely	Substantial	Low	Will McLean	Peter Fox	CYP
			2017 /18	Possible	Substantial	Medium			2017 /18	Unlikely	Substantial	Low		Geoff Burrows	Audit committee
			2018 /19	Possible	Substantial	Medium			2018 /19	Unlikely	Substantial	Low		Liz Hackett-Pain	

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigation already undertaken	Future Actions and timescales	Risk Level (Post – mitigation)				Service & Risk Owner	Cabinet Member	Select Committee
			Year	Likelihood	Impact	Risk Level			Year	Likelihood	Impact	Risk Level			
		Management and IT published in 2016 did not produce any statutory recommendations but have produced a number of proposals for improvement.													
5a Page 139	Potential for significant harm to vulnerable children or adults due to factors outside our control.	- The likelihood of this occurring in a given year is low. However the significant harm that can occur due to factors that are outside our control mean that this will always be a risk. - Volunteering is increasingly part of meeting community needs and it is important to have consistency across the LA in the use of volunteers particularly in respect of HR practices and training.	2016 /17	Possible	Major	Medium	We have strengthened our safeguarding arrangements in both Adults and Children’s Services. The Head of Children’s Services has now been given clear responsibility for safeguarding and this has been incorporated into her title from July 2016. Similarly safeguarding has been added to the role title of the Cabinet member. We have raised awareness of safeguarding across the authority and its partners. We have Implemented a quality assurance framework (SAFE - Self-Assessment Framework for Evaluation) A number of the authority’s most senior officers have been placed on the Safeguarding Group.	- Continually monitor and evaluate process and practice and review accountability for safeguarding - Deliver actions set in service plans for POVA and Safeguarding - Ensure that robust systems are in place within the authority to respond to any concerns arising from allegations or organised abuse - Implement second phase of the SAFE process - Drive the strategic agenda and the associated programme of activities for safeguarding through the Corporate Coordinating Group including undertaking a second review of safeguarding policy and continuing to promote and review safe recruitment practices. - Ensure safeguarding is reflected in all council service improvement plans and in roles / responsibilities as appropriate.	2016 /17	Possible	Major	Medium	Jane Rodgers / Julie Boothroyd	Liz Hackett Pain Geoff Burrows	CYP Adults
5b	Potential for significant harm to vulnerable children or adults due to failure of services and/or partners to act accountably for safeguarding														
6	Potential Risk that:	- Gap in attainment between ‘all pupils’ and those eligible for Free School Meals has	2016 /17	Possible	Major	Medium	Following the Monitoring visit in November 2015, Estyn has judged that Monmouthshire County	-Ensure a continued focus on the issues referenced in the	2016 /17	Unlikely	Major	Low	Will Mclean	Liz Hackett Pain	CYP

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigation already undertaken	Future Actions and timescales	Risk Level (Post – mitigation)				Service & Risk Owner	Cabinet Member	Select Committee
			Year	Likelihood	Impact	Risk Level			Year	Likelihood	Impact	Risk Level			
	Failure to meet the needs of individual learners may result in them not achieving their full potential.	<p>narrowed in key stages 2 &3 for most indicators but remains a concern in Foundation phase and key stage 4.</p> <p>- Variation in standards across schools, with many schools judged by Estyn to be adequate and remaining in amber and red support categories for more than a year.</p> <p>- Poor leadership, management, capacity and performance in some schools</p> <p>- Unsustainable provision to meet the demand for Welsh Medium education provision</p> <p>- Not achieving the number of A* and A grades amongst the cohort of more able and talented pupils</p> <p>Estyn identified:</p> <p>- Evaluation of progress and actions to be taken by the school and EAS are generally not clear enough to record school progress</p> <p>- Notes of monthly meetings do not provide enough detail about the quality of support and challenge in individual schools or identify specific actions for follow up to identify the key areas of strength and priorities for improvement in each school.</p>	2017 /18	Possible	Major	Medium	<p>Council’s education services for children and young people has made strong progress in addressing two of the six recommendations arising from the inspection of November 2012, and satisfactory progress in addressing the other four and concluded that the authority is no longer in need of special measures</p> <p>A draft Welsh in Education Strategic Plan has been developed for consultation setting out the council’s vision and action plan for developing Welsh in Education within the County.</p> <p>The review of Additional Learning Needs strategy and policy continues.</p> <p>We have defined our working relationship with the EAS to ensure:</p> <ul style="list-style-type: none"> • That the gap in performance between pupils receiving free school meals and those not receiving free school meals is narrowed • Greater scrutiny of the Pupil Deprivation Grant (PDG) expenditure to tackle the impact of poverty on pupil learning and performance • Better targeted intervention in schools based on a better understanding of individual pupils potential. • Improving categorisation of schools in line with the 	<p>Estyn monitoring visit letter in January 2016</p> <p>-Improve the quality of self-evaluation in the CYP directorate.</p> <p>- Focus on the attainment at the expected level plus one in our primary settings</p> <p>- Work closely with our secondary schools to ensure they are prepared for the new examination requirements</p> <p>- Ensure that the Additional Learning Needs review delivers sustainable, adequate and appropriate support to pupils with Additional Learning Needs</p> <p>- Ensure the commissioned arrangements with the EAS address the authority’s concerns in challenging and supporting schools</p> <p>- Deliver the Welsh Education Strategic Plan in collaboration with neighbouring authorities</p>	2017 /18	Unlikely	Major	Low			
			2018 /19	Possible	Major	Medium			2018 /19	Unlikely	Major	Low			

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigation already undertaken	Future Actions and timescales	Risk Level (Post – mitigation)				Service & Risk Owner	Cabinet Member	Select Committee
			Year	Likelihood	Impact	Risk Level			Year	Likelihood	Impact	Risk Level			
							national model resulting in more appropriate challenge and support to schools to drive up standards in leadership and performance								
7a	Revised risk: Potential Risk that: Schools do not have the necessary ICT infrastructure meaning they are unable to maximise their offer to learner’s needs.	Schools and the EAS depend on reliable equipment and support from the SRS to implement systems for pupil tracking and to meet curriculum needs. Some schools do not have the ICT infrastructure to support these systems fully.	2016 /17 2017 /18 2018 /19	Possible Possible Possible	Substantial Substantial Substantial	Medium Medium Medium	A comprehensive Service Level Agreement with the SRS and schools commenced in April 2016. The council has approved a business case for £885,000 of investment in schools ICT infrastructure. The first phase of the investment programme is due for completion by March 2017, behind the original schedule due to further cabinet and council approval required to proceed with the investment as not all schools had signed up to the SLA. Phase 2 of the investment programme, migration of schools data and information storage, has already commenced with several schools already migrated to the SRS. Schools with the oldest servers have been prioritised.	Finish the implementation phase 1 of the ICT in schools improvements, upgrading equipment and infrastructure as well as implementing SIMS in the classroom. Complete Phase 2 of the investment - the migration of school based server infrastructure up to the SRS over an 18 month period.	2016 /17 2017 /18 2018 /19	Possible Possible Unlikely	Substantial Substantial Substantial	Medium Medium Low	Peter Davies	Bob Greenland Liz Hackett Pain	Economy and Development
7b	Potential Risk that: Insufficient ICT infrastructure and skills in the county have the potential to lead to social and economic disadvantages	-It is likely that 4-6% of our most rural areas will not be impacted by the roll out of Superfast broadband A significant skills issue exists in the County. 19% of households don’t have internet access and 20% (approximately 14,363) adults in Monmouthshire don’t use the internet ¹ .	2016 /17 2017 /18 2018 /19	Likely Likely Likely	Substantial Substantial Substantial	Medium Medium Medium	A collaboration with the UK Government and AB Internet to enable next generation superfast wireless broadband services to the remaining 4-6% of the County's broadband’ not spots’ has been undertaken but legacy issues still remain. The project was originally targeted at 1696 properties but three sites had to be de-scoped due to project time constraints reducing the total	-Deliver the I County digital road map which has three main areas of focus: 1) internal systems, processes, data and infrastructure 2) community, economic, business and education dimensions 3) opportunities for commercialisation	2016 /17 2017 /18 2018 /19	Likely Likely Possible	Substantial Substantial Substantial	Medium Medium Medium	Cath Fallon	Bob Greenland	Economy and Development

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigation already undertaken	Future Actions and timescales	Risk Level (Post – mitigation)				Service & Risk Owner	Cabinet Member	Select Committee
			Year	Likelihood	Impact	Risk Level			Year	Likelihood	Impact	Risk Level			
		<p>Monmouthshire residents have high demand for broadband services, Ofcom figures indicating a 74% adoption rate.</p> <p>Other drivers include the council needs to prepare for increased digital public service delivery, the implementation of the Online Universal Credit system, children’s learning opportunities and the provision of digital health care.</p>					<p>intervention figure to 1060 premises.</p> <p>Following approval of the broadband in Monmouthshire report:</p> <ul style="list-style-type: none"> - promotional activity to support the Super-connected Cities voucher Scheme has been undertaken, this closed in October 2015 - Local promotion and maximisation of the WG ICT exploitation programme - Promotion of the Access Broadband Cymru scheme for areas outside the superfast Cymru roll out. <p>A Digital Monmouthshire web portal has been developed which is hosted as part of the www.monmouthshire.biz offer.</p> <p>At least 36,400 premises are now able to access Superfast Broadband connections and there is an increased uptake with Monmouthshire’s figures now standing at 19.8%.</p>	<p>Continue to collaborate with the Superfast Business Wales team to support their ICT Exploitation programme.</p> <p>Enable the rollout and exploitation of high speed broadband across the County for both businesses and communities.</p> <p>Trail the roll out of the TV white space broadband pilot which will enable isolated rural communities to enjoy the same digital connectivity as in urban areas and, if successful, will be replicable in other rural areas.</p> <p>Approval of an application for an RDP ICT county wide skills programme.</p>							
8	<p>Potential Risk that:</p> <p>Reductions in our workforce due to budgetary pressures will impact on our capacity to deliver transformational change and improve performance.</p>	<ul style="list-style-type: none"> - Our people are central to the success of our council and county. Organisational culture impacts on our ability to address future challenges and make sustained improvements in areas that require it. - Continued economic constraint and local government reform can impact on staff morale and service objectives. -The number of employees has reduced in recent years. 	2016/17	Possible	Substantial	Medium	<p>A people and organisational strategy progress report summarising the outcomes achieved in 2015/16 has been completed, progress includes;</p> <ul style="list-style-type: none"> - providing flexible training opportunities that are aligned to training needs identified across the organisation; - Responding with action and outcomes to feedback from the staff conference and staff survey; 	<ul style="list-style-type: none"> - To implement the people and organisational strategy (2016-17) delivery plan including the next steps in delivering a coherent and cohesive People Services offer to the organisation - Continue to engage with staff on the People and Organisational Development Strategy to ensure the strategy 	2016/17	Possible	Substantial	Medium	Tracey Harry	Phil Murphy	Strong Communities
			2017/18	Possible	Substantial	Medium			2017/18	Possible	Substantial	Medium			
			2018/19	Possible	Substantial	Medium			2018/19	Unlikely	Substantial	Low			

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigation already undertaken	Future Actions and timescales	Risk Level (Post – mitigation)				Service & Risk Owner	Cabinet Member	Select Committee
			Year	Likelihood	Impact	Risk Level			Year	Likelihood	Impact	Risk Level			
		<p>- Sickness increased to an average of 11.6 days per FTE employee in the year to March 2016. 21% of sickness was due to psychological reasons</p> <p>- WAO Annual improvement report in 2015 proposed improvements to the people and organisational strategy in order to make best use of its people resources. A follow up report on HR arrangements is due to be published in winter 2016.</p> <p>- A range of services have identified risks to their capacity for service delivery.</p>					<p>- Developing ways of communicating with our workforce and understanding their concerns and issues (e.g. MonMinds staff peer group), as well as providing leadership insights and talks;</p> <p>- Revising the staff appraisal process, check in check out, and rolling out.</p> <p>- Evidence has been collated and reviewed and a revised offer has been created to meet the needs of those people both on and off our payroll, a delivery plan for the final year of the people and organisational strategy (2016-17) has been established</p> <p>- The draft reviewed attendance and wellbeing policy will be presented to People board commencing the consultation with managers and staff.</p>	<p>continues to focus on addressing identified needs</p> <p>- Complete the review of processes around the management of attendance, ensuring we are delivering cost effective solutions to attendance problems</p> <p>- Continue to implement and develop process to provide managers and management teams with information on the workforce.</p>							
9a	<p>Potential Risk that:</p> <p>Not having appropriate governance mechanisms does not make it easy for communities to work with us when we are co-delivering and co-developing services which will impact on our shared ability to deliver sustainable and resilient communities.</p>	<p>Concerns on overlapping and complicated community governance structures have led to some dissatisfaction amongst community stakeholders.</p> <p>There is a recognised disconnect between the process and delivery frameworks set up to support community governance.</p>	2016/17	Possible	Substantial	Medium	<p>A community governance review has been completed. A cross party Member working group was established and met to discuss the proposal. The proposals have been presented to all area committees and the strategic transport group. The review is due to go to Council in December.</p> <p>Five new cluster town and community councils have been set up and allocated an SLT lead. The governance review will need to consider this.</p> <p>A volunteer coordinator was appointed and is leading the council's <i>A County That Serves</i> volunteering programme that</p>	<p>Present the Community Governance proposals to full Council for decision (scheduled December 2016)</p> <p>Subject to decision, implement the agreed community governance proposal from April 2017.</p> <p>Continue to implement the "A County That Serves" volunteering programme"</p> <p>Continue to implement the volunteer tool kit to clarify information, procedures and processes on volunteering .</p>	2016/17	Possible	Substantial	Medium	Will McLean	Phil Hobson	Strong Communities
			2017/18	Possible	Substantial	Medium			2017/18	Possible	Substantial	Medium			
			2018/19	Possible	Substantial	Medium			2018/19	Unlikely	Substantial	Low			

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigation already undertaken	Future Actions and timescales	Risk Level (Post – mitigation)				Service & Risk Owner	Cabinet Member	Select Committee
			Year	Likelihood	Impact	Risk Level			Year	Likelihood	Impact	Risk Level			
							aims to support and enable volunteers.								
9b	Potential Risk that: Not having appropriate governance mechanisms when establishing new collaborative or alternative delivery models that are often complex could impact on our shared ability to deliver objectives.	The Council works collaboratively to deliver a variety of services and is increasingly considering alternative delivery models to sustain services for example for Leisure, Tourism, Culture and Youth Services. These models are often complex and have many risks and challenges. A 2016 Governance study by Wales Audit Office concluded that ‘the Council has made progress in improving its governance arrangements although more work is needed to strengthen the transparency of decision making and recording’ A 2016 IT study by Wales Audit Office made a proposal for improvement that the council needs to ‘Negotiate and agree commercial grade Service Level Agreements with SRS in advance of new organisations joining the partnership to support sound governance, and to enable the Council to measure service delivery, and assure itself that its IT needs continue to be met.’	2016/17 2017/18 2018/19	Possible Possible Possible	Substantial Substantial Substantial	Medium Medium Medium	An independent option appraisal for Leisure, Tourism, Culture and Youth Services has been completed, cabinet approved the next stage of the project to develop a full Business Case and to continue the staff, community and service user consultation process. WAO Proposals for improvement on the Council’s existing governance arrangements continue to be addressed. An action plan has been established to address the Wales Audit Office proposals from the IT study.	Complete and present the full business case on Leisure, Tourism, Culture and Youth Services for further consideration by Members. Continue to implement actions to address the proposals for improvement identified by Wales Audit Office Complete the development of a commercial grade Service Level Agreement with SRS, which will need agreement with all partners.	2016/17 2017/18 2018/19	Possible Possible Unlikely	Substantial Substantial Substantial	Medium Medium Low	Will McLean / Peter Davies	Peter Fox Bob Greenland	Audit committee
10	Potential Risk that: The current configuration of the recycling service becomes unviable	Monmouthshire does not currently collect recycling in line with the preferred Welsh Government method.	2016/17 2017/18	Unlikely unlikely	Mode rate mode rate	Low Low	A pressure mandate was accepted by Council to fund £1.2million pressures in the MTFP over 2016/17 and 2017/18 due to an Increase in recycling costs, the Welsh Government grant	To complete the recycling review report to determine the Council’s long term recycling strategy with cabinet approval in March 2017.	2016/17 2017/18	Unlikely unlikely	Mode rate mode rate	Low Low	Rachel Jowitt	Bryan Jones	Strong Communities

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigation already undertaken	Future Actions and timescales	Risk Level (Post – mitigation)				Service & Risk Owner	Cabinet Member	Select Committee
			Year	Likelihood	Impact	Risk Level			Year	Likelihood	Impact	Risk Level			
Page 145	because of legislation requirements and financial constraints.	<p>Long term uncertainty over Welsh Government funding and future costs of the service.</p> <p>The Welsh Government grant was cut by 6.4% and is due to be cut by a further 7% in 2017/18.</p>	2018/19	Likely	Substantial	Medium	<p>reduction and growth in waste tonnages.</p> <p>The recycling review is currently undertaking a trial and will report by March 2017 with a view to setting a long term financial model for the service as well as demonstrating legislative compliance.</p> <p>On-going liaison with Welsh Government on the Environmental Grant funding, its importance to the service and positive impact it makes on the long term strategy.</p>	To continue to liaise with Welsh Government on Environmental Grant funding.	2018/19	unlikely	Substantial	Low			
	11 new	<p>Potential Risk that: Political, legislative and financial uncertainty for council services and local businesses as a result of Britain leaving the European Union.</p>	<p>The vote to leave the EU has caused political uncertainty that could impact on local government financial settlements if further austerity is required. This could also impact on regional projects such as the City Deal further compounded by political changes in Westminster.</p> <p>Many council services are governed by EU legislation or follow EU led policy, for example procurement rules. There will be uncertainty while the process for extricating the UK from this law is established.</p> <p>Expectations of further austerity and a subsequent fall off in inward investment and growth while restrictions on labour mobility could impact on local firms;</p>	2016/17	Almost Certain	substantial	High	<p>The Council already has an established Medium Term financial plan to model financial assumptions and scenarios for planning future service budgets.</p> <p>The Council has established working relationships with key partners, such as the Welsh Government, the WLGA and treasury advisers to work with in understanding the impact on Council services.</p>	<p>Many of the negotiations and decisions on Britain leaving the EU are outside of the council's control, given this and the current uncertainty the post mitigation risk levels have not been assessed to change.</p> <p>Actions we will be taking include: Continued liaison and work with partners such as Welsh Government, WLGA and treasury advisers to understand and plan for any implications.</p> <p>Continue to refine and update the Medium Term Financial Planning model and assumptions for future service budgets.</p>	2016/17	Almost Certain	substantial	High	Senior Leadership team	All
			2017/18	Almost Certain	substantial	High			2017/18	Almost Certain	substantial	High			
			2018/19	Almost Certain	substantial	High			2018/19	Almost Certain	substantial	High			

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigation already undertaken	Future Actions and timescales	Risk Level (Post – mitigation)				Service & Risk Owner	Cabinet Member	Select Committee
			Year	Likelihood	Impact	Risk Level			Year	Likelihood	Impact	Risk Level			
		<p>Some projects rely directly on EU funding, such as the Rural Development Plan (RDP).</p> <p>Market volatility, inflation and financial uncertainty could impact on council revenue budgets and borrowing costs for capital schemes. Any market volatility resulting from triggering Article 50 could impact on the local government pension schemes.</p> <p>The leave vote created divisions: regionally and between age groups that could raise concern over social inclusion and a rise in hate crime.</p>													

Risk Matrix

The Council uses a 'traffic light' system of Red/Amber/Green associated with High/Medium/Low. A copy of the full policy and guidance is available to staff and members on The Hub.

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

ⁱ Recent figures obtained from the 'Get Monmouthshire On Line'

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15TH DECEMBER 2016	
<i>Deadline for finalised reports to Cheryl – 12 noon Monday 5th December</i>	
<i>Finalised reports to Committee Section –end of day Monday 5th December</i>	
Wales Audit Office Proposals for Improvement progress reports	Richard Jones
Overview of Performance Management Arrangements	Richard Jones
Zero hour contracts	Tracey Harry
ISA 260 reports - Trust Funds	WAO
Audited Welsh Church Fund Trust Fund Accounts 2015/16	Mark Howcroft
Audited Monmouthshire Farm School Trust Fund Accounts 2015/16	Mark Howcroft
Early Departures & Redundancy Costs	Peter Davies
Exemptions from CPRS	Andrew Wathan
Strategic Risk Assessment 2016	Richard Jones
2ND FEBRUARY 2017	
<i>Deadline for finalised reports to Cheryl –</i>	
<i>Finalised reports to Committee Section</i>	
CPR Exemptions 6 monthly	Andrew Wathan
Q3 Progress report	
Implementation of Audit Recommendations	Andrew Wathan
Update on Special Investigations	Andrew Wathan
Corporate Assessment Follow on review - Human Resources	WAO
16TH MARCH 2017	
<i>Deadline for finalised reports to Cheryl –</i>	
<i>Finalised reports to Committee Section</i>	
Internal audit 2017/18 plan	Andrew Wathan
Quarterly Monitoring of Reserves - qtr 3	Mark Howcroft
Apr-17	
<i>Deadline for finalised reports to Cheryl –</i>	
<i>Finalised reports to Committee Section –</i>	
Unsatisfactory audit Opinions	Andrew Wathan
Annual Governance Statement	Andrew Wathan

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