

**COUNTY BOROUGH OF BLAENAU GWENT**

**REPORT TO: THE CHAIR AND MEMBERS OF THE AUDIT COMMITTEE**

**SUBJECT: AUDIT COMMITTEE - 27TH APRIL, 2021**

**REPORT OF: DEMOCRATIC SUPPORT OFFICER**

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PRESENT: T. EDWARDS (CHAIR)

Councillors S. Healy (Vice-Chair)  
D. Davies  
P. Baldwin  
D. Hancock  
J. Hill  
W. Hodgins  
J. Holt  
J. C. Morgan  
M. Moore  
K. Rowson  
B. Summers  
H. Trollope  
L. Winnett  
M. Veale

WITH: Chief Officer Resources  
Audit & Risk Manager  
Professional Lead – Internal Audit  
Data Protection & Governance Officer

ITEM	SUBJECT	ACTION
No. 1	<b><u>SIMULTANEOUS TRANSLATION</u></b>  It was noted that no requests had been received for the simultaneous translation service.	

<p><b>No. 2</b></p>	<p><b><u>APOLOGIES</u></b></p> <p>An apology for absence was received from Councillor S. Thomas.</p>	
<p><b>No. 3</b></p>	<p><b><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></b></p> <p>No declarations of interest or dispensations were reported.</p>	
<p><b>No. 4</b></p>	<p><b><u>AUDIT COMMITTEE</u></b></p> <p>The minutes of the special Audit Committee held on 2<sup>nd</sup> March, 2021 were submitted.</p> <p>RESOLVED that the minutes be accepted as a true record of proceedings.</p>	
<p><b>No. 5</b></p>	<p><b><u>ACTION SHEET - 2ND MARCH, 2021</u></b></p> <p>There were no actions arising from the meeting held on 2<sup>nd</sup> March, 2021.</p>	
<p><b>No. 6</b></p>	<p><b><u>AUDIT PLAN OUTTURN 2020-21</u></b></p> <p>Consideration was given to report of the Professional Lead Internal Audit.</p> <p>The Professional Lead Internal Audit presented the report which provided an update on the overall outturn position of the Audit Plan for the financial year 2020-21 and highlighted the work undertaken by the Internal Audit Service.</p> <p>Appendix A to the report detailed audits undertaken during the financial year and their status as at 31st March 2021, including their actual or provisional grading. A provisional grading has been issued if the report has not been cleared by the service area and could be subject to change. Appendix B provided the performance data for the section for the period to 31st March, 2021.</p> <p>The Officer reported that the results of the audits undertaken during the year have showed an improvement, with an increase in Full Assurance gradings and a reduction in Limited Assurance gradings. There were 33 audits issued for 2020/21, and in addition 9 audits currently ongoing or deferred during the year as a result of the Covid pandemic, with only critical services operating</p>	

for a period during the year and audit staff redeployed to assist with the pandemic response.

The Officer said the pandemic had impacted on the Audit Section's capacity to complete audit work, and therefore the Audit Plan for 2020/21 was based on 9 months from July 2020 to March 2021.

A Member referred to Appendix A and asked why a number of the Frontline Integrated Services audits had been deferred, particularly the street lighting audit.

In response the Officer explained that this particular audit was commenced prior to the Covid pandemic, and as a result of the change in priority of services it was agreed that this work would be deferred. However, this work had recently continued and would be reported as part of the progress report to a future Committee.

Another Member also referred to Appendix A, and asked whether the audits marked 'limited assurance' would be reported to Committee.

The Officer confirmed that an Internal Audit Summary for all 'limited assurance' audits would be reported to Committee as part of the progress report, and all the 'limited assurance' audits highlighted within the report had been reported to Committee previously.

In response a further question raised by a Member regarding non-graded audits highlighted on the charts at Section 6.1.1. of the report, the Officer explained that for 2020/21 it was decided to highlight non-graded audits, i.e. routine audits and follow-up audits. It was felt important to highlight as the Section had commenced this work, but it was then deferred due to the Covid pandemic. The Section had also undertaken additional 'extra assurance' work in reacting to the pandemic as a result of the number of grants administered by the Authority.

RESOLVED that the report be accepted and the Audit Committee note the level of audit coverage in each service area, the plan outturn for the financial year and the performance of the Internal Audit Service for the financial year 2020/21.

Consideration was given to the report of the Audit & Risk Manager.

The Audit & Risk Manager presented her objective review of the Authority's system of internal control operating during the financial year 2020/21 and her annual opinion.

The Audit & Risk Manager reported that, in her opinion, Blaenau Gwent County Borough Council's system of internal control during the financial year 2020/21 operated to a level which gave Reasonable Assurance on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control based on the reduced level of coverage that has been achieved during the year.

A discussion ensued when a Member expressed concern regarding the number of experienced Officers leaving the Authority and asked whether 'exit interviews' were being routinely undertaken prior to staff leaving.

In response the Audit & Risk Manager confirmed that OD had a process in place.

A Member referred to Section 2.2.19 of the report and asked whether the Authority had retained any internal IT function.

The Officer said the Council had retained some IT functions, albeit very limited. The audit of SRS was undertaken by Torfaen, and the Officer said the results could be reported to Committee if Members wanted. She also pointed out that the lack of an IT Audit was not unique to Blaenau Gwent and that other Authorities were in a similar position

A Member commended the work of the Section, and asked the Audit & Risk Manager whether she was confident with the level of resources within the Section moving forward.

In response the Officer said the Section was currently progressing as normal with development of the Audit Plan. However, a Senior Audit would be leaving for another Authority and this would impact on the Section in terms of the recruitment and transition process, so it was likely that there would be some disruption for the Service during the year.

A discussion ensued when Members asked that the number of

Officers leaving the Authority be looked at.

In response the Audit & Risk Manager said it could be looked at as part of an audit, but it would have to be considered in line with the risk assessment of other audits.

RESOLVED that the report be accepted and the annual opinion of the Audit & Risk Manager be noted as follows:-

‘Based on the findings of the audit work undertaken during 2020/21, in my opinion, Blaenau Gwent County Borough Council’s system of internal control during the financial year 2020/21 operates to a level which gives Reasonable Assurance on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control, based on the reduced level of coverage that has been achieved during the year.’

**No. 8**

**LOCAL GOVERNMENT ACT 2021 CHANGES**

Consideration was given to the report of the Head of Legal Compliance/Monitoring Officer.

The Data Protection & Governance Officer presented the report which informed the Committee of changes brought in as part of the Local Government & Elections (Wales) Act that come into force on 1<sup>st</sup> April, 2021.

As part of the legislation there would be some changes impacting on the Committee. Firstly, the name of the Committee would change, and would now be called the Governance & Audit Committee. There would also be additional functions for the Committee as the scope would widen to include statutory powers to review and assess the Authority’s ability to handle complaints effectively, and make reports and recommendations in relation to the Authority’s ability to handle complaints effectively. While the Act would be brought in on a phased approach, the changes referred to would be brought in immediately.

Future changes for the Committee by May 2022 were highlighted at Section 2.7 of the report, the majority of which the Council were already adhering to. However, the Officer pointed out that the Council were not currently compliant with a third of all Members being lay Members so moving forward the Council would need to

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bring in a recruitment programme to ensure compliance by May 2022. Further reports would be submitted to Committee in relation to this.

A brief discussion ensued when the Officer confirmed that both new Members on the Committee this year had received an induction programme, and this would be in place for any future new Members moving forward. The Committee's terms of reference would also need further consideration to take into account the changes. In relation to the requirement for a third of the Committee membership to be lay Members, the Officer said no decisions had been taken but discussions would need to commence shortly to ensure compliance May 2022.

RESOLVED that the report be accepted and the information on the mandatory changes brought about from a change in the legislation be noted.

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