

COUNTY BOROUGH OF BLAENAU GWENT

REPORT TO: THE CHAIR AND MEMBERS OF THE AUDIT COMMITTEE

SUBJECT: SPECIAL AUDIT COMMITTEE – 10th MARCH, 2020

REPORT OF: DEMOCRATIC SUPPORT OFFICER

PRESENT: Mr. Peter Williams (CHAIR)

Councillors S. Healy
M. Cross
L. Elias
K. Rowson
B. Summers
S. Thomas
H. Trollope
J. Wilkins
L. Winnett

WITH: Managing Director
Chief Officer Resources
Corporate Director Regeneration & Community Services
Corporate Director of Social Services
Audit & Risk Manager
Professional Lead - Internal Audit
Corporate Health & Safety Advisor
Data Protection & Governance Officer
Press & Publicity Officer

DECISIONS UNDER DELEGATED POWERS

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

No. 2	<u>APOLOGIES</u>	Apologies for absence were received from Councillors G. Collier and J. Hill.
No. 3	<u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u>	No declarations of interest or dispensations were reported.
No. 4	<u>AUDIT COMMITTEE</u>	<p>The minutes of the Audit Committee held on 28th January, 2020 were submitted for points of accuracy.</p> <p>RESOLVED that the minutes be accepted as a true record of proceedings.</p>
No. 5	<u>BUSINESS RESOURCE CENTRE – DECOMMISSIONING</u>	<p>Having regard to the views expressed by the Proper Officer regarding the public interest test, that on balance the public interest in maintaining the exemption outweighed the public interest in disclosing the information and that the report should be exempt.</p> <p>RESOLVED that the public be excluded whilst this item of business is transacted as it is likely there would be a disclosure of exempt information as defined in Paragraph 14, Schedule 12A of the Local Government Act, 1972 (as amended).</p> <p>Consideration was given to report of the Audit & Risk Manager which presented the findings of an investigation into issues arising from the decommissioning and sale of the Business Resource Centre (BRC). The Officer when through the report and highlighted points contained therein.</p> <p>At the invitation of the Chair a Member said he was extremely concerned regarding the range of issues highlighted in the report, and felt that the recommendations lacked assurance for Members that this would not occur in the future. He said</p>

the report should be subject to an external investigation.

In response to a question raised by a Member, the Corporate Health & Safety Advisor confirmed that from a health and safety perspective, advice was provided to the Department in terms of dealing with second hand equipment.

A lengthy discussion ensued when Members expressed concern regarding the issues highlighted as part of the investigation.

The Corporate Director Regeneration & Community Services said some of the issues highlighted were the result of various Departments leaving the premises, and whilst CLT had agreed processes for vacating premises, clearly these had not been adhered to. However, he confirmed that moving forward the Corporate Landlord process had now been reinforced, and no building would be accepted by the Corporate Landlord until a checklist had been completed. The Service area vacating the building would be responsible for ensuring that the building was empty and that all statutory services and checks had been undertaken. He confirmed the Head of Community Services would be taking the lead on any future decommissioning of buildings.

In response to a question raised the Data Protection & Governance Officer explained that the Data Breach Assessment Panel decided that whilst improvements were needed to prevent similar events occurring in the future, the breach did not meet the threshold for reporting to the ICO.

The Managing Director agreed that the report was unacceptable and Officers needed to ensure that it did not happen again. She said when the Audit & Risk Manager brought the report to CLT a very robust discussion took place around the content of the report, the lack of compliance and the fact that the formal advice provided was not adhered to, resulting in the Council being exposed to risks, which were contained in this instance.

She said CLT recognised the need to take responsibility for ensuring this did not happen again, and made a commitment

to ensure that processes moving forward are robust and that there was a singular person within the Service responsible for making sure that those processes are adhered to. She understood Members' concerns but assured that CLT had taken this report very seriously and would ensure that this did not happen again.

A discussion ensued when the Corporate Director clarified points raised by Members. He said this was about accountability moving forward, and ensuring that the robust processes in place are stringently adhered to.

A further lengthy discussion ensued regarding various issues and Officers clarified points raised.

A Member reiterated his comment that the report should be referred to an independent body for further investigation, and until this was undertaken he was unable to support the recommendation of the report.

In response the Chief Officer Resources said the Council's Internal Audit Section operated independently of the Council, and it was unlikely that an independent body would identify anything new. She also confirmed that the next time decommissioning was undertaken, a detailed report on the process would be reported to the Audit Committee, and a review would also be undertaken by Internal Audit.

The Audit & Risk Manager explained that the recommendations of the covering report stated that the Committee would gain assurance by continuing to monitor the improvements made in the procedures for decommissioning, when this was undertaken in the future. The detailed report dealing with the investigation included recommendations and actions taken at that time point in time. The Officer also confirmed that the report had been referred to the Wales Audit Office, and they agreed with the Council's course of action in strengthening processes moving forward.

A discussion ensued regarding an independent investigation, when the Audit & Risk Manager confirmed that the issues had been brought before the Committee and CLT was committed

to addressing the issues, and she did not see any value in an independent review.

In response to a question raised regarding a press release, the Managing Director explained that it was not normal practice to comment on exempt reports, however, as the issue had been discussed by the Committee an accurate position statement could be issued. She also suggested that the next decommissioning exercise could be used as a case study in order to provide assurance.

Councillor L. Elias left the meeting at this juncture.

A Member referred to section 2.3 of the covering report and asked whether a detailed analysis had been undertaken, and whether the findings would be reported back to the Committee.

The Managing Director said this was a detailed analysis of the final conclusions in terms of discussions with the Corporate Director, in order to take a full review of the management of the decommissioning. The Managing Director agreed to bring this to the Committee.

**Managing
Director**

The Committee took a brief adjournment in proceedings.

A discussion ensued regarding the recommendation of the report, and the following amendment was proposed by a Member:-

‘The Committee note the report but have concerns over the lack of assurances given and requested a detailed action plan going forward, to be brought to Committee in April, along with a suitable statement to the press from the Managing Director.’

A vote was taken on the amendment.

Councillor G. Collier abstained from voting.

RESOLVED that the report which contained information relating to the financial affairs/business affairs of persons other than the Authority be accepted, and the Committee note

the report but have concerns over the lack of assurances given and requested a detailed action plan going forward, to be brought to Committee in April, along with a suitable statement to the press from the Managing Director.	
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