

**COUNTY BOROUGH OF BLAENAU GWENT**

**REPORT TO: THE CHAIR AND MEMBERS OF THE COUNCIL**

**SUBJECT: AUDIT COMMITTEE – 29<sup>th</sup> SEPTEMBER, 2020**

**REPORT OF: DEMOCRATIC SUPPORT OFFICER**

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**PRESENT: COUNCILLOR S. HEALY (VICE-CHAIR IN THE CHAIR)**

Councillors D. Davies  
D. Hancock  
J. Hill  
W. Hodgins  
J. Holt  
J. Millard  
K. Rowson  
B. Summers  
S. Thomas  
H. Trollope  
L. Winnett

**WITH:** Chief Officer Resources  
Audit & Risk Manager  
Professional Lead - Internal Audit  
Senior Business Partner - Capital and Corporate Accounting  
Head of Legal & Corporate Compliance  
Data Protection & Governance Officer

**AND:** Charlotte Owen (Audit Wales Representative)

**DECISIONS UNDER DELEGATED POWERS**

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

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| <p><b>No. 2</b></p> | <p><b><u>APOLOGIES</u></b></p> <p>Apologies for absence were received from Mr. Peter Williams, Councillors M. Cross and M. Moore</p>   |  |
| <p><b>No. 3</b></p> | <p><b><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></b></p> <p>Councillor B. Summers declared an interest in the following item:</p> <p>Item No. 10 Draft Statement of Accounts 2019/20 (Silent Valley Waste Services)</p>   |  |
| <p><b>No. 4</b></p> | <p><b><u>APPOINTMENT OF CHAIR</u></b></p> <p>Nominations were sought for the appointment of Chair of the Audit Committee for 2020/2021.</p> <p>A Member proposed that Mr. Peter Williams be appointed to the role, and this proposal was seconded.</p> <p>Upon a vote being taken it was</p> <p>RESOLVED that Mr. Peter Williams be appointed as Chair of the Audit Committee for 2020/21.</p>   |  |
| <p><b>No. 5</b></p> | <p><b><u>TIME OF FUTURE MEETINGS</u></b></p> <p>RESOLVED that future meetings continue to be held at 9.30 a.m.</p>   |  |
| <p><b>No. 6</b></p> | <p><b><u>AUDIT COMMITTEE</u></b></p> <p>The minutes of the special Audit Committee held on 10<sup>th</sup> March, 2020 were submitted, whereupon:-</p> <p><i><u>Business Resource Centre - Decommissioning</u></i></p> <p>A Member pointed out that there was an action arising from the minutes and expressed concern that there was no Action Sheet on the agenda highlighting progress of this action. He said members of the public viewing the minutes would expect</p> |  |



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|                     | <p>RESOLVED that the report be accepted and the Audit Committee note the content of the report and receive future reports from Audit Wales.</p>  |  |
| <p><b>No. 8</b></p> | <p><b><u>SUPPORTING FINANCIAL RESILIENCE – AUDIT WALES FOLLOW UP REVIEW</u></b></p> <p>Consideration was given to report of the Chief Officer Resources.</p> <p>The Chief Officer Resources presented the report which outlined the findings of the follow-up review undertaken by Audit Wales on their Supporting Financial Resilience work stream.</p> <p>The follow-up audit found that the Council had responded positively and was making progress against the proposals for improvement, and had future work planned to fully address them. The report and the attached Audit Wales review highlighted the progress that had been made against each of the areas for improvement identified in 2018.</p> <p>A Member said very good work had been done to achieve this from Audit Wales and commended all the Officers and teams involved.</p> <p>Another Member said he was particularly pleased with the work undertaken around Council Tax collection.</p> <p>The Audit Wales representative said the actions taken by the Council since the initial proposals for improvement was pleasing, particularly during difficult times, and the steps taken by the Council and actions going forward would help to strengthen its financial position.</p> <p>RESOLVED that the report be accepted and the Audit Committee considered the findings of Audit Wales and was assured that progress had been made against the proposals for improvement. (The report was considered by the Corporate Overview Scrutiny Committee on 11<sup>th</sup> September, 2020 and Members supported the recommendation).</p> |  |

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| <p><b>No. 9</b></p>  | <p><b><u>RESPONSE TO AUDIT WALES ENQUIRY TO THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT</u></b></p> <p>Consideration was given to report of the Chief Officer Resources.</p> <p>The Audit &amp; Risk Manager presented the report which informed Members of the management response to Audit Wales and sought commentary from the Committee in respect of some of the queries raised in the correspondence. She stated that a letter of enquiry was received on an annual basis from Audit Wales which sought the Council’s documented consideration and understanding of the management and governance arrangements in place for the Authority with regard to the prevention and detection of fraud.</p> <p>A Member asked when a report on Silent Valley Waste Services could be expected.</p> <p>The Chief Officer Resources reported that discussions were ongoing with Audit Wales, and hopefully the 3 year open Statement of Accounts would be presented in October to finalise that element. Following that, a wider report on the findings of our arrangements with Silent Valley would be prepared by Audit Wales and reported to Committee. Whilst she was unable to provide a timeline the Officer confirmed that matters were progressing quite quickly.</p> <p>RESOLVED that the report be accepted and the Audit Committee endorsed the attached Management Response to the Audit Wales query and considered that the draft response of the Committee accurately reflected their views.</p> |  |
| <p><b>No. 10</b></p> | <p><b><u>DRAFT STATEMENT OF ACCOUNTS 2019/2020</u></b></p> <p>Councillor B. Summers declared an interest in this item (<i>Silent Valley Waste Services</i>).</p> <p>Consideration was given to report of the Chief Officer Resources.</p> <p>The Chief Officer Resources presented the Draft Statement of Accounts for 2019/20 and the Authority’s financial standing as</p>  |  |

at 31<sup>st</sup> March, 2020 (subject to audit). The Officer went through the report and highlighted points contained therein.

A Member sought an update on the Authority's outstanding accounts, and also the Bedwellty House & Park charitable accounts.

In response the Officer said it was anticipated that the outstanding Statement of Accounts for 2016/17, 2017/18 and 2018/19 would be presented to a special meeting of the Audit Committee in October. In relation to the Authority's charitable accounts, she understood that these were now up to date.

In terms of accessibility to the public, the Officer confirmed that the Draft Statement of Accounts were available to view on the Council website, and a paper copy could be provided if requested. Also as part of the public inspection period, which would run from 5<sup>th</sup> to 30<sup>th</sup> October (inclusive) the accounts would be available to view at the General Offices, where Officers would be on hand to respond to any queries, albeit with the appropriate COVID health and safety measures in place.

In response to a question raised by a Member regarding additional funding for projects, the Chief Officer Resources said she was not aware of any requests for additional funding or support for any services. However, this was consistently monitored through the year and any changes would be reported to Members as part of the quarterly financial monitoring reports submitted to Joint Scrutiny (Budget Monitoring).

A Member asked whether the Council would incur a financial penalty in relation to the outstanding accounts.

The Officer said there was no financial implications in respect of the outstanding accounts, but it was a reputational issue for the Council. She confirmed that the Council had completed and produced the accounts within the statutory requirements and deadlines, however, an audit opinion was awaited due to an ongoing review by Audit Wales.

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|                      | <p>RESOLVED that the report be accepted and the Audit Committee noted the Draft 2019/2020 Statement of Accounts for information, prior to the requirement to consider for approval in November.</p>   |  |
| <p><b>No. 11</b></p> | <p><b><u>INTERNAL AUDIT CHARTER</u></b></p> <p>Consideration was given to report of the Chief Officer Resources.</p> <p>The Professional Lead Internal Audit presented the revised Internal Audit Charter for 2020/21 for Members' consideration. The Charter must be reviewed periodically by both the Corporate Leadership Team and the Audit Committee and this was undertaken on an annual basis. The Officer confirmed that no significant changes had been to the Charter since approval last year.</p> <p>A Member asked whether any new processes had been adopted to continue to undertake audits, taking homeworking into account</p> <p>The Audit &amp; Risk Manager explained that homeworking had already been established prior to the COVID pandemic and with more electronic systems in place the majority of audits could be undertaken remotely, subject to identification of critical services. However, there were instances when visits to premises was required and Officers were currently working around this.</p> <p>RESOLVED that the report be accepted and the Committee approve the Audit Charter in line with good practice and the requirements of the Public Sector Internal Audit Standards (PSIAS).</p> |  |
| <p><b>No. 12</b></p> | <p><b><u>CODE OF GOVERNANCE</u></b></p> <p>Consideration was given to report of the Chief Officer Resources.</p> <p>The Audit &amp; Risk Manager presented the revised Code of Governance for Members' consideration.</p>   |  |

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|                      | <p>The Officer went through the report and highlighted points contained therein. Responsibility for reviewing and approving the Code had been delegated to the Audit Committee. The revised Code was agreed by the Corporate Leadership Team prior to the COVID 19 outbreak, and the Officer confirmed that The Code had not been changed in light of COVID, as the Governance Framework remained the same. Any changes to processes as a result of emergency measures would be reflected in the Annual Governance Statement.</p> <p>RESOLVED that the report be accepted and the Committee approve and adopt the revised Code of Governance (Option1).</p>   |  |
| <p><b>No. 13</b></p> | <p><b><u>AUDIT PLAN OUTTURN 2019-20</u></b></p> <p>Consideration was given to report of the Chief Officer Resources.</p> <p>The Audit &amp; Risk Manager presented the report which updated Members on the overall outturn position of the Audit Plan for the financial year 2019/20. The Internal Audit Service completed 65.31% of the Audit Plan against a target of 75%, and this was due to a combination of circumstances during the year that included the retirement of the Principle Auditor, the appointment of an audit apprentice, a staff absence and latterly the impact of the COVID-19 pandemic causing delay in the issue of some systems audits usually concluded during March.</p> <p>Members commended the Audit Section for the volume of work undertaken under the circumstances.</p> <p>The Officer said the full impact of the pandemic would become evident in next year's outturn report.</p> <p>RESOLVED that the report be accepted and the Committee note the levels 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 2019/20.</p> |  |
| <p><b>No. 14</b></p> | <p><b><u>ANNUAL UPDATE – USE OF POWERS UNDER THE</u></b></p>  |  |



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**REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 2000**

Consideration was given to report of the Head of Legal & Corporate Compliance.

The Head of Legal & Corporate Compliance presented the report which provided Members with information relating to the Council's use of statutory powers under the Regulation of Investigatory Powers Act (RIPA) 2000 for the period 2019/20, as required under the Council's RIPA policy and procedures. The Audit Committee monitored activity in this area, and the report contained information which sought to provide an assurance on the effective operation of the Council's policy in relation to the Act.

The Officer reported that the information provided covered the period 1<sup>st</sup> August, 2019 – 31<sup>st</sup> July, 2020, and during this period two applications were made to the Magistrates' Court, and granted, in relation to directed surveillance, both of which related to Trading Standards investigations.

She confirmed that updated training on the use of RIPA was due to take place in 2020, but it was likely that this would now be held in 2021. The IPCO undertook an audit of all Councils every three years, and due to the COVID-19 pandemic, Blaenau Gwent's inspection would undertaken remotely later in October. An internal review of the policy and procedure would also be undertaken following the inspection.

A Member referred to the pandemic and asked whether surveillance under RIPA could be used in the event of non-compliance with COVID-19 regulations.

In response the Officer said she was unsure if the penalties associated with non-compliance of COVID regulations would fall under the RIPA criteria. She confirmed that Officers had various powers to enforce COVID regulations and were able to make inspections of premises, and there had been tremendous support from the public in assisting Officers, and those that had been served improvement notices had complied without the need for further action.

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|  | RESOLVED that the report be accepted and the Audit Committee accepts the information in the report as assurance that appropriate oversight and monitoring was taking place. |  |
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