

AUDIT COMMITTEE - THURSDAY, 30 JANUARY 2020

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD IN COMMITTEE ROOMS 2/3,
CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON THURSDAY, 30 JANUARY
2020 AT 14:00**

Present

Councillor LM Walters – Chairperson

JE Lewis	MJ Kearn	RM Granville	A Williams
AJ Williams	PA Davies	A Hussain	

Apologies for Absence

P Davies and TH Beedle

Officers:

Mark Thomas	Head of Regional Audit Service
Andrew Rees	Democratic Services Manager
Gill Lewis	Interim Head of Finance and Section 151 Officer
Michael Pitman	Democratic Services Officer - Committees
Joan Davies	Audit Client Manager

Lay Member:

Mrs J Williams

173. DECLARATIONS OF INTEREST

None.

174. APPROVAL OF MINUTES

RESOLVED: That the minutes of the 14/11/2019 be approved as a true and accurate record subject to the addition of apologies from Cllr Cheryl Green and the Wales Audit Office representative.

175. AUDIT COMMITTEE ACTION RECORD

The Democratic Services Manager presented a report which provided Members with an update on the Audit Committee Action Report.

He advised that the up to date Action Report was listed at Appendix A of the report and asked Members if they had any questions or comments relating to it.

The Chairperson asked if items that were dealt with be greyed out on the page so that the committee could keep better track of completed actions.

A Member mentioned that she had a safeguarding issue to report while on a school trip. She stated that there was no clear procedure for reporting and asked if the Corporate Director of Social Services and Wellbeing could be invited to the meeting for Members to ask questions. The Interim Head of Finance stated that it may be beneficial for the Corporate Director - Education and Family Support to attend as well.

RESOLVED: That the Committee:

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1. Noted the contents of the Action Record and;
2. Asked that both the Corporate Director – Education and Family Support and the Corporate Director of Social Services both be invited to the next meeting of Audit Committee.

176. WALES AUDIT OFFICE - OVERVIEW AND SCRUTINY - FIT FOR THE FUTURE

The Democratic Services Manager presented a report which provided Members with an update on the recommendations made in the Wales Audit Office (WAO) report to the Audit Committee meeting of 6th December 2018 'Overview and Scrutiny – Fit for the Future?' for noting.

He explained that the WAO undertook a piece of work as part of a national report and explored how 'fit for the future' scrutiny functions were within the Authority. The review concluded that the Council's Overview and Scrutiny Function was well run, but needed to adapt to meet future challenges.

The Democratic Services Manager outlined the progress that had been made to date in relation to the WAO proposals. The five proposals for improvement were listed at section 4 of the report.

A Member mentioned that in the report it stated that the Scrutiny Team here was fully staffed. She asked if we were happy with the experience of the staff going forward.

The Chairperson stated that one of the new members of the Scrutiny Team was a very experienced Scrutiny Officer who not only had years of experience, but used to work here in BCBC, so was familiar with the processes and procedures.

The Democratic Services Manager stated that the three previous Scrutiny Officers were all employed part time, each having 1 day a week off, however, the three Scrutiny Officers now employed were all full time. He added that one of the new starters had worked elsewhere in the authority in a role that involved research, which was seen to be a beneficial skill to bring to the Scrutiny role.

RESOLVED: That the Committee noted the report.

177. CORPORATE RISK ASSESSMENT, CORPORATE RISK MANAGEMENT POLICY AND INCIDENT AND NEAR MISS REPORTING PROCEDURE

The Interim Head of Finance presented a report which provided the Committee with the outcome of the Corporate Risk Assessment 2020-21 in Appendix A, informed the Committee of the changes to the Councils Risk Management Policy in Appendix B and provided an update on reported Incident and Near Miss occurrences in Appendix C.

She advised that Appendix A in the report contained incorrect dates, and provided the Committee with a printed copy of the up to date Corporate Risk Assessment 2020-21.

A Member asked about the risk that related to retention and recruitment of staff and what the main issues were. The Interim Head of Finance stated that it was often to do with the pay and quality of the market. She said private sector compared with Local Government was often more pay and more variety of jobs. She added that there were a number of complications when a job is evaluated/changed and said that one small change can affect many other aspects.

A Member asked what the situation was regarding employment of social workers as there was once a difficulty with this. The Interim Head of Finance stated that it was

better than it used to be but it was still a difficulty with the shortage, which was the case with a number of areas including surveyors and engineers. She added that as many of the positions were not well paid, this made it difficult to appeal to people.

A Member expressed concerns with the responsibility being shown as 'CMB' and suggested that it disallowed for proper ownership.

The Interim Head of Finance stated that the majority of the risks did not fall with just one Corporate Director and therefore sharing the responsibility across all of CMB meant that they all had a joint responsibility to ensure the risks were being dealt with. A Member agreed that displaying one name would create a blame culture which was unnecessary.

The Chairperson proposed that the Committee read through each of the risks listed in Appendix A to ensure everyone was happy with the actions.

A Member expressed concerns relating to Risk 4 and asked if existing schools were being improved, i.e. was the money available for existing schools as well as new schools. The Chairperson agreed that existing schools needed to be looked at and finding ways to improve the space used as well as ensuring children nearby to the school can actually go there.

A Member reaffirmed this and stated that BCBC were footing a large bill for having to transport children a number of miles by taxi due to the lack of places for many children who live in catchment area of a school but were not able to get a place.

A Member asked if the relationship with the Health Boards were as good as they could be as she said that she recently requested information relating to the EU Settlement Scheme and was turned away. The Chairperson stated that this was something that was also discussed in a Scrutiny meeting.

A Member asked if the Council discusses best practice with other Local Authorities. The Interim Head of Finance stated that the Council discusses methods of best practice and how we can share services with each other, which had been done for many years with neighbouring authorities.

The Lay Member asked how the suppliers were linked in with the major incident plan in respect of financial resilience. The Interim Head of Finance stated that it was difficult to plan for if a company were to have a cyber-attack or go into financial administration and this was something that we would need to monitor.

A Member mentioned that it was a requirement for schools to have a first aid policy, however, when looking for guidance relating to first aid policy on the Welsh Government website it stated to follow the local authority guidance. She stated that BCBC did not have their own policy and were using guidance taken from authorities in England. She added that sufficient training had not been provided to teachers on how to use defibrillators on the children in Primary Schools.

The Chairperson stated that this needed to be looked into and added to the action record to ensure BCBC develop a first aid policy that covers schools in Bridgend as well as suitable training provided.

A Member queried whether the likelihood of some of the risks in the incident and near miss report were accurate, and should the risk level be higher as a result. The Chairperson stated that there would be a danger of doing this as some risks would go too high up a level where issues would be over reported.

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A Member stated that the health board had a good reporting system so it might be worth looking at their system. The Chairperson agreed that this may be beneficial and was worth Officers seeking the best way to take that forward.

RESOLVED: That Members of the Committee:

1. Considered the Corporate Risk Assessment 2020-2021 (Appendix A) and the updated Corporate Risk Management Policy (Appendix B)
2. Noted the Incident and Near Miss Reporting occurrences reported in the last 12 months (Appendix C)

178. TREASURY MANAGEMENT STRATEGY 2020-21

The Group Manager - Chief Accountant presented a report to the Committee which included:

- Borrowing Strategy 2020-21
- Investment Strategy 2020-21
- Treasury Management Indicators for the period 2020-21 to 2022-23

He explained that the Council carries out its treasury management activities in accordance with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (2017) and relevant legislation, and that the Audit Committee had been nominated by Council to be responsible for ensuring the effective scrutiny of the Treasury Management Strategy (TMS) and Treasury Management Prudential Indicators.

He explained that the TMS 2020-21 at appendix A confirmed the Council's compliance with the CIPFA Code, which required that formal and comprehensive objectives, policies and practices, strategies and reporting arrangements are in place for the effective management and control of treasury management activities and that effective management and control risk were the prime objectives of these activities.

The Group Manager - Chief Accountant stated that table 1 of the report outlined the Council's external debt and investment position as at 31st December 2019.

He added that Table 2 provided a balance sheet summary and forecast of the Council's expected borrowing, which used estimates of capital spend and forecast on useable reserves for the current financial year and the next 3 years. He noted that these figures will be updated in line with the revised Capital Programme presented to Council in February.

The Group Manager - Chief Accountant explained that a Liability benchmark had been calculated which showed the lowest risk level of borrowing which forecasted the minimum amount of debt the Council could hold if its internal resources were used in lieu of external borrowing. This was indicated at table 3 of the report. He added that section 4 of the report detailed the borrowing strategy and Table 4 provided the expected future borrowing.

He advised that further details relating to the investment strategy, approved investment counterparties and limits, investment limits and non-specified investment limits were indicated in tables 5-9 of the report.

RESOLVED: That the Committee:

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- Gave due consideration to the Treasury Management Strategy for 2020-21 and;
- Recommended that it was presented to Council for approval in February 2020.

179. PROGRESS AGAINST THE AUDIT RISK BASED PLAN 1 APRIL 2019 TO 31 DECEMBER 2019

The Audit Client Manager presented a report which provided Members with a position statement on progress being made against the audit work that was included and approved within the 2019-20 Internal Audit Annual Risk Based Plan.

She advised that the plan provided for a total of 1,101 audit days to cover the period April 2019 to March 2020. These days were split into those reviews considered to be Priority One and those considered Priority Two with the aim of completing the whole plan.

She explained that the actual progress against quarter 1 to quarter 3 of the 2019/20 Risk Based Plan was attached at Appendix A of the report which detailed the status of each planned review.

The Audit Client Manager explained that Appendix A illustrated that as at 31st December 2019, 28 items of work had been completed of which 23 audit reviews had resulted in an opinion being provided. A further 3 reviews had been carried out and draft reports issued that were awaiting feedback from Service Departments.

The Audit Client Manager explained that the 3 remaining audit reviews had been given an audit opinion of limited, that is, only limited assurance can be placed on the current system of internal control. These areas were as follows:

- Ogmores Vale School
- Banks Automated Clearing System (BACS)
- General Data Protection Regulations (GDPR)

Further details on these were at section 4.4 of the report.

A Member asked in relation to the ongoing SWAP audit on Home to School Transport if they were looking at the chaperones as well as the drivers of the vehicles. The Audit Client Manager stated that the work had not begun yet but confirmed that this was something that would be looked at.

A Member stated that the removal of chaperones was a topic at a recent Overview and Scrutiny meeting as an area of savings. She said that she did not agree that this should be a topic for discussion as there were a lot of children on the buses and was too much for the driver alone to deal with.

RESOLVED: That Members noted the content of the report and the progress made against the 2019/20 Internal Audit Risk Based Plan.

180. UPDATED FORWARD WORK PROGRAMME 2019/20

The Head of Regional Audit Service presented a report which updated Members of the Forward Work Programme for 2019/20.

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He advised that there were a number of new additions to the Forward Work Programme as well as a number of reports that had been deferred to later dates. The Forward Work Programme was listed at Appendix A of the report. He added that the Audit Committee Self-Assessment Report was good practice for Members to self-assess and identify any knowledge or skill gaps that could be improved with training.

RESOLVED: That Members noted the updated Forward Work Programme for 2019/20.

181. URGENT ITEMS

None

The meeting closed at 16:30