



AUDIT COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON TUESDAY, 14TH MAY 2013 AT 10.00 A.M.

PRESENT:

Councillors:

Mrs. E.M. Aldworth, Mrs. K.R. Baker, D.G. Carter, N. Dix, J.E. Fussell, D. Havard, S. Morgan,
Mrs. G. D. Oliver, J.A. Pritchard, D. Rees, R. Saralis

By Invitation - Cabinet Members Councillors Mrs. C. Forehead, D.T Hardacre and
K.V. Reynolds

Together with:

N. Scammell (Acting Deputy Chief Executive), D. Street (Acting Director of Social Services),
R.M. Harris (Manager Internal Audit), G. Hardacre (Head of Human Resources and
Organisational Development), D. Perkins (Head of Legal and Governance), G. Williams
(Monitoring Officer (Interim)), C. Jones (Head of Performance and Property), H. Morgan
(Senior Committee Services Officer)

Also present:

Sara-Jane Byrne (PricewaterhouseCoopers)
Non Jenkins, Jackie Joyce, Nick Selwyn (Wales Audit Office)
Gary Hicks (Aneurin Bevan Health Board)

1. APPOINTMENT OF CHAIRMAN

Members were advised that in accordance with the Local Government Measure 2011 the Chairman of the Audit Committee must be appointed by Members of the Committee. The Chairman may be a member of the authority or a lay member but must not be a member of an executive group where there is an opposition group. The measure is silent on the appointment of a Vice Chairman.

It was moved and seconded that Councillor D. Rees be appointed as Chairman. An amendment was proposed that Councillor J.E. Fussell be appointed as Chairman. By show of hands the motion was carried by the majority of members present and as such the amendment was lost.

RESOLVED that Councillor D. Rees be appointed as Chairman of the Audit Committee for the ensuing year.

2. APPOINTMENT OF VICE CHAIRMAN

It was moved and seconded that Councillor D. Havard be appointed as Vice Chairman. By show of hands this was agreed by the majority present.

RESOLVED that Councillor D. Havard be appointed as Vice Chairman of the Audit Committee for the ensuing year.

3. APOLOGIES

Apologies for absence were received from Councillor Mrs. D. Ellis, Lay Member Mr. N. Yates and Ian Davies and Lynn Pamment (PricewaterhouseCoopers).

4. DECLARATIONS OF INTEREST

There were no declarations of interest made at the beginning or during the course of the meeting.

5. MINUTES - 6TH MARCH 2013

RESOLVED that the minutes of the meeting of the Audit Committee held on 6th March 2013 (minute nos. 1 - 8 on page nos. 1 - 5) be approved as a correct record and signed by the Chairman.

REPORTS OF OFFICERS

Consideration was given to the following reports.

5. WALES AUDIT OFFICE REPORT: REVIEW OF MANAGEMENT ARRANGEMENTS FOLLOWING A HOMICIDE - REPORT FROM HEALTHCARE INSPECTORATE WALES

Consideration was given to the report which detailed the findings of the review undertaken by the Wales Audit Office to ensure the Council has “established appropriate systems to manage the housing of vulnerable people discharged from institutions”.

Non Jenkins advised that in June 2011 Health Inspectorate Wales (HIW) published a report in relation to the circumstances surrounding a homicide committed in the county borough in March 2009 by an individual with mental health issues. The report identified a number of failings on the part of all agencies involved and made a total of 23 recommendations covering all agencies. Members were advised that the subsequent WAO report centres around the three recommendations made that related to the Council's Housing Service.

Jackie Joyce referred to the summary contained within the report and highlighted the key findings. She advised that the WAO review sought to determine whether the Council addressed the recommendations within the HIW report and has established appropriate systems to manage the housing of vulnerable people discharged from institutions. The review has concluded that progress has been made but has not yet fully addressed the recommendations from the HIW although it recognises that both organisations continue to review progress within the action plan.

Nick Selwyn then highlighted the detailed findings and referred specifically to the recommendations as they relate to housing. He advised that from the findings it could be seen that the recommendations from HIW have been taken seriously by both the Council and the ABHB and progress has been made and collective and integrated arrangements put in place. With regards to the proposals for improvements, the WAO has proposed that robust arrangements be established to ensure and systematically check that protocols and procedures are implemented and operating effectively, ensure all action plan and targets are complete and adopted and to improve inter-agency working in relation to re-housing and the management of vulnerable people. He also advised that whilst significant progress has been

made there are still improvements that can be made.

Mr. Street advised Members that following the recommendations from the HIW, an Action Plan Group was put together consisting of senior officers from the Local Authority and Aneurin Bevan Health Board. This Group ensured that each of the relevant actions was progressed against a given timescale. Progress against the action plan was initially looked at by the Care and Social Services Inspectorate for Wales (CSSIW) in 2012 and this has been followed up by this review of the housing related recommendations by WAO. It was confirmed that in order to ensure the issues have progressed satisfactorily, the Action Planning Group was reconvened and will continue to review and ensure satisfactory progress. Housing staff will be core members of this Group. Recommendations have also been made to the Health Social Care and Well Being Scrutiny Committee as part of an overall report on the development of mental health. The Integration Agenda centres on a single management structure which oversees both health and social services.

During the course of the ensuing debate, Members noted the progress that has been made with the recommendations and accepted that Housing staff are key to the process. Reference was also made to the hospital discharge scheme and it was noted that this is not part of this review. They accepted that improvements in dealing with the re housing and the management of vulnerable people is vital and queried the level of involvement with the Police. Gary Hicks advised that intelligence is received from the Police and that regular meetings are convened to share information. MAPA protection arrangements are in place and Section 36 assessments carried out as required. Members accepted the need for information sharing and felt that they should also be made aware of any proposals for rehousing in their ward.

Members noted the content of the report and the actions that have been, and are being taken, to address the recommendations.

6. WALES AUDIT OFFICE REPORT: HUMAN RESOURCES AND WORKFORCE THEMATIC REVIEW

Non Jenkins presented the report and gave an overview of the detailed findings which will be summarised in the annual improvement review. Sara-Jane Byrne then gave a briefing of the work undertaken in 2011, when PWC, on behalf of the Wales Audit Office, undertook a Human Resources and Workforce thematic review for local government which asked whether the Council has effective arrangements in place to manage and utilise its workforce. She advised that the review involved a self assessment followed by an appraisal of the evidence presented to verify the assessment process and evidence provided. Both Members and Officers had participated in the process.

It was noted that the review highlighted 4 main areas for improvement (clearly documented HR strategy and plan, the establishment of an HR balance scorecard to track HR performance against key metrics, tracking of benefits identified in the HR transformation business case and strategic workforce planning and succession planning). By way of explanation, Sara-Jane Byrne advised that although the Council has a published People Strategy, a clearly documented HR strategy and plan is required to explain how HR will support the organisation in the delivery of its People Strategy and demonstrate where and how value is delivered. With regards to the scorecard to track HR performance whilst some of this information is available it is not organised in such a way as to make it easy for stakeholders to assess progress against HR and/or the People Strategy objectives and priorities and to use this information to review and change plans. With regards to strategic workforce planning and succession planning it is recommended that an integrated approach be implemented to ensure that workforce planning aligns to service, financial and workforce targets.

Mr. Hardacre advised that the workforce is an integral part of the delivery of the Council's overall delivery of all its Corporate Plans and therefore is fundamental to the achievement of outcomes. He referred to the proposed recommendations within the action plan, which has

been prepared following the receipt of the report, and detailed the progress made on each. It was noted that these outcomes are all included in the HR Service Improvement Plan for 2013-14. He pointed out that there are some external developments that have and will impact on the delivery of the improvement plan, specifically the Performance Improvement Framework. He also referred to the WG Publication - "Working Together for Wales" - A Strategic Framework for the Public Service Workforce in Wales and the HRD Network - The Development of a People Management Improvement Framework (PMIF) for Local Government which was appended to the report.

During the course of the debate a query was raised in relation to the flexible retirement policy and Mr. Hardacre advised that the workforce information shows that over a third of staff are 50 plus and that only 3% of the organisation is under 24. As such workforce and succession planning is essential to ensure that the Council has the right skill sets in place for the future delivery of services. Reference was also made to the production of sickness/absence statistics and it was explained how they are collected and collated by the Managing Attendance Team on an individual service area basis (short term/long term data). Details are subsequently presented to the Policy and Resources Scrutiny Committee. It was accepted that there are certain staff who, although fit for work, are not able to return until they are clear of symptoms (waiting period).

Mr. Hardacre then responded to a number of questions raised over and above those which were considered during the course of the presentation (Passport Programme, Living Wage, Equal Pay, Training, Single Status, Occupational Health, Scorecard System, Results Based Accountability). It was suggested by Members that the Head of Human Resources and Organisational Development should sit on Corporate Management Team and that the delivery of the action plan be monitored by the Policy and Resources Scrutiny Committee. It was also proposed that a seminar be arranged for Members in order that they can be briefed on the strategies and policies that are in place as part of the workforce development strategy. With regards to results based accountability it was agreed that a presentation be made at the next meeting.

Arising from discussions in relation to the monitoring of the report it was agreed that there is a need to determine whether it should be through the Audit Committee, relevant scrutiny committee or both. It was agreed that there is a need to be a satisfactory procedure in place and as such a report would be presented as to how this should be taken forward.

Members noted the content of the report and the actions that have been/are being taken, to address the recommendations and were pleased to note that the outcomes are all included in the HR Service Improvement Plan and will be monitored accordingly.

5. ANNUAL GOVERNANCE STATEMENT REVIEW

Non Jenkins gave a presentation on the Local Authority Review of Governance and, in opening, gave the background to the study. She explained that local authorities were first required to prepare an Annual Governance Statement in 2010/11 with the review of governance' aligned with the assessment requirements under the Local Government Measure (LGM). She referred to the mechanisms in place to enable self evaluation to inform the process.

Sara-Jane Byrne then gave an overview of the work that had been undertaken and detailed the focus of the study which identified learning points for the 2012-13 review of governance, provides an evaluation of the 2011/12 statements and seeks to determine what an authority has done to:-

- determine the level of assurance required in relation to all aspects of governance reflected in the CIPFA guidance;
- ensure that the required level of assurance is provided; and

- raise awareness levels amongst those charged with governance of their responsibilities.

Members were advised that the scope of the study sought to determine whether, in producing its Annual Governance Statement, the Council has evaluated the effectiveness of its governance arrangements comprehensively and thoroughly. Interviews were held between January and March 2013 to inform the process 2013.

In detailing the findings Sara-Jane Byrne advised that the review reflects the elements of the CIPFA framework but recent concerns about the Council's governance arrangements suggests that there is scope to ensure this review is more rigorous. The Council has a process in place for reviewing its governance arrangements but aspects could be formalised and embedded further to add more value and give more assurance to the Council and the public. She also advised that the Council has not evaluated its AGS process to identify areas for improvement. It was noted that a meeting had been arranged with the Corporate Governance Group in order to take this forward and it confirmed that since the report has been received in mid-April, action is being taken to address all of the findings.

In each of the findings the evidence was provided and details of how the recommendations can be addressed were noted (Directorate Assurance Statement, Corporate Governance Panel, AGS Action Plan, Business Continuity Plans, training to those charged with governance). Members were pleased to note that the findings suggest that whilst the statement is approved at Council and signed off by the Leader and Chief Executive, consideration should be given to involving the Audit Committee more effectively in the process and agreed that this should be taken forward.

Members noted the key learning points as identified in the report and were pleased to note that each are being progressed. They were advised that a Corporate Governance Panel has been established (with its membership now including the Cabinet Member for Governance and Head of ICT). The draft AGS will be discussed by Corporate Management Team on 6th June 2013 and by the Audit Committee on 19th June 2013, the terms of reference of the Audit Committee is being reviewed and the AGS will be presented to Cabinet prior to it being considered by full Council in September.

In concluding, Sara-Jane Byrne advised that the findings for all 22 local authorities will be collated and a national report be produced, which will highlight common trends and themes and it is for the Council to consider the findings and key learning points as part of compiling the 2012-13/2013-14 statement.

Mrs. Scammell advised that the Audit Committee need to take a more prominent role in the monitoring of the annual governance statement and that arrangements are in hand to ensure this is undertaken. She also referred to the findings of WAO Public Interest Report and to the action plan that was approved at Council in April which will take forward the recommendations contained in the WAO report. She acknowledged there were wider issues for improvement arising from those recommendations which are also to be addressed.

Members thanked the Officers for the informative presentation and noted the actions that are to being taken to address the issues raised.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 19th June 2013 they were signed by the Chairman.

The meeting closed at 11.45 a.m.

CHAIRMAN