



## AUDIT COMMITTEE

### MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN, YSTRAD MYNACH ON WEDNESDAY 10TH DECEMBER 2014 AT 10.00 AM

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#### PRESENT:

Councillor D. Rees - Chair  
Councillor D. Havard - Vice Chair

#### Councillors:

N. Dix, C. Hawker, N. George, S. Morgan and J.A. Pritchard

Lay Member - Mr N. Yates

#### Together with:

G. Williams (Interim Head of Legal Services and Monitoring Officer), L. Jones (Acting Head of ICT and Customer Services), R. Harris (Internal Audit Manager), Jackie Dix (Policy & Research Manager), R. Roberts (Performance Manager), J. Morgans (Customer Services & Performance Co-Ordinator) and C. Evans (Committee Services Officer)

#### Also present:

Ian Davies (PricewaterhouseCoopers)

#### 1. APOLOGIES

Apologies for absence were received from Councillors Mrs E.M. Aldworth, Mrs K. Baker, D. Carter, J. Fussell and Mrs G.D. Oliver.

#### 2. DECLARATIONS OF INTEREST

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

#### 3. MINUTES - 10TH SEPTEMBER 2014

RESOLVED that the minutes of the meeting of the Audit Committee held on 10th September 2014 (minute nos. 1 - 17) be approved as a correct record and signed by the Chair.

## **REPORTS OF OFFICERS**

Consideration was given to the following reports.

### **4. REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 2000**

G. Williams, Interim Monitoring Officer, provided Members with an overview of the report, which highlighted the number of covert operations undertaken by the Council in accordance with the provisions of the Regulation of Investigatory Powers Act 2000.

It was reported that there was one RIPA operation undertaken by the Authority for the period September to October 2014.

A Member sought further information around RIPA operations in relation to Trading Standards and it was confirmed that there are circumstances where one approval includes the investigation of multiple premises. It was confirmed that in all cases operations are only commenced following receipt of intelligence from appropriate sources.

Members thanked the Officer for the report and noted its contents.

### **5. PROCEDURE RELATING TO SCHOOL BASED COMPLAINTS**

Members agreed to defer this item to a future meeting.

### **6. SOCIAL SERVICES REPRESENTATIONS AND COMPLAINTS PROCEDURE ACTIVITY**

The Council's Customer Services & Performance Co-Ordinator, Social Services provided the Audit Committee with information on the operation of the Social Services Directorate's Representations and Complaints Procedure and the subsequent reporting processes.

The Welsh Government introduced new Guidance on the handling of complaints by Social Services Directorate's across Wales in August 2014. The guidance replaces previous guidance and supports the implementation of the Social Services Complaints Procedure (Wales) Regulations 2014 and Representations Procedure (Wales) Regulations 2014.

The revised procedure has 3 stages for complaints, and enables complainants to progress their complaints to the Ombudsman following the completion of a Stage 2 investigation. Stage 1 of the process (Local Resolution), most commonly resolves the majority of complaints without a need for formal investigation and staff are required to observe established procedures, timescales and best practice at all times. However, the guidance does allow a complainant to progress their concerns directly to formal stage 2 investigation. Stage 2 (Formal Investigation) complaints are investigated by an externally commissioned Investigating Officer and statutory time limits are in place for completion. The complainant would receive a full response detailing findings, conclusions and recommendations. Stage 3 of the process enables a complainant to progress their issue to the Local Public Services Ombudsman for Wales, if they are not satisfied with the outcome of Stage 2. An investigation would be conducted and results reported to the Local Authority outlining the findings, in cases where the Ombudsman concludes that maladministration has taken place, the report is made public and the Directorate's Customer Services Manager and relevant Operational Managers will attend the Council's Standards Committee and full Council (if applicable ) to offer a full explanation, and where necessary the matter is reported to the relevant Scrutiny Committee.

The Audit Committee thanked the Officer for the report and discussion and debate ensued.

Members discussed the complaints process and sought further information and clarification in relation to the Stage 2 investigations in which investigations were closed before completion and whether this has had any financial implications for the Authority. Officers highlighted that these circumstances had arisen in a number of cases and this had resulted in a cost implication of £800 for the Authority. Officers also discussed whether there was any merit in the application of a charge in relation to Stage 2 investigations to prevent this from happening in the future. Members discussed this proposal at length and it was felt that it could have negative implications for the process and could deter complainants from the process, and consequently was not supported by members.

Members raised concerns about the safety of staff, in particular as a result of the sensitivity of the area and queried the systems in place to monitor calls and protect staff. Officers highlighted that currently there are no call recording systems in place but informal arrangements have been implemented to minimise problems. Furthermore members were reminded that there are formal policies in place to support staff. Members were informed that a call recording system has been introduced for Customer Services, and details of this would be provided to Social Services for consideration.

The Audit Committee noted the contents of the report.

## **7. REGULATOR PROPOSALS FOR IMPROVEMENT PROGRESS UPDATE**

The Performance Manager provided Members with an update on the progress against the proposals made by all regulators since the last Audit Committee update in June 2014.

The previous report detailed all the outstanding proposals as at June 2014. Since that time a number of proposals have been addressed and additional proposals, as a result of recent regulator review, have been added to the list. There are currently 45 proposals, made up of 26 outstanding proposals, 6 new proposals and 13 proposals that have been addressed. Members noted that closing the 13 proposals that have been addressed would leave 19 outstanding.

The Review of Management Arrangements following a Homicide Report remains static in reducing proposal numbers and no update has been provided.

The Committee discussed the Review of Management Arrangements following the Homicide Report and raised concerns around an incident in Llanbradach in 2009 and the recent case in Argoed. As no update had been provided, the Committee requested a progress report at the next available meeting.

The Audit Committee thanked the Officer for the detailed report and appendix and requested the risk register be provided in A3 size for future meetings, as A4 is visually difficult to read.

It was moved and seconded that the Audit Committee noted the contents of the report, the progress against the action plan and agreed to close the proposals noted as closed within the appendix. By a show of hands, this was unanimously agreed.

## **8. ICT SERVICES DISASTER RECOVERY ARRANGEMENTS**

L. Jones, Acting Head of ICT and Customer Services, provided the Audit Committee with an information report on the existing ICT Disaster Recovery (DR) arrangements that are in place within the Council and how these arrangements were invoked to restore services following an incident in August. The report included the review process, which forms part of the Disaster Recovery arrangements, and ensures that such experiences and interruptions are used as a learning tool to improve existing plans and mitigate risk of future similar occurrences.

Members noted the Council's existing ICT DR Plan and arrangements how they were utilized to recover ICT systems, as quickly as possible following the incidents, which interrupted the provision of ICT Services in August 2014.

The Council has in excess of 500 ICT applications in use throughout all Service Areas, which range from large corporate solutions to smaller niche service applications. As part of the DR arrangements, priorities are assigned to each system depending on the nature of the application.

The Committee noted that The ICT Disaster Recovery arrangements in place are compliant with the ISO 270001 ICT security standard, which includes disaster recovery and are regularly audited by the British Standards. CCBC has now held BSI accreditation for 10 consecutive years.

The Audit Committee thanked the Officer for the report and discussion and debate ensued.

A Member sought clarification on the impact on stored data during the incident in August. Officers confirmed that no data was lost during this incident and assured that back-up systems, which are located at other sites and store copies of all data are in place, however, the systems were not required.

The Committee discussed the impact of the incident on public services such as Libraries and Leisure Centres and it was highlighted that Members had received a number of queries and complaints. Following request, Officers agreed to provide details of the system priorities for future reference.

The Audit Committee noted the report and extended their gratitude to IT Services for the efforts undertaken to ensure that systems were back up and running as quickly as possible.

## **9. CAERPHILLY COUNTY BOROUGH COUNCIL PARTNERSHIP AND COLLABORATIONS**

The Policy and Resources Manager provided the Audit Committee with an update report on the Council's (CCBC) Collaboration and Partnership Protocol, twelve-month action plan and Partnership Governance Toolkit, following its endorsement by Cabinet.

Following recommendation by the Wales Audit Office, an exercise commenced in October 2013 to identify partner organisations, significant partnerships and collaborations, which revealed a total number of significant partner organisations for CCBC as 146, with 35 formal partnerships, 25 collaborations and CCBC leading in 8 of the collaborative arrangements. It was noted that quarterly review through Heads of Service would be conducted on the list and steps are now being undertaken to implement the twelve-month action plan for ensuring robust partnership working, on which Members observations are welcome.

The Officer highlighted the monitoring process, which would be conducted through spot checks on the partnerships and collaborations, which has been discussed and agreed by the Corporate Governance Review Panel in November. It was decided that, during January and February 2015, spot checks would be carried out on two of the partnerships and three of the collaborations and the outcomes would be reported back to the Corporate Governance Review Panel, Improving Governance Programme Board and Corporate Management Team (CMT). Further monitoring and spot checks would be conducted through the year, along with quarterly reviews and monitoring of the 12 month action plan, which will be incorporated into the Councils Annual Constitution Review; inform that Corporate Governance Review Panel, Improving Governance Programme Board and Annual Governance Statement, along with an annual summary report to the Audit Committee in June 2015.

The Audit Committee thanked the Officer for the report and discussion and debate ensued.

Members queried the governance aspects in relation to the voluntary organisations and Charities involved in the Council's partnerships and collaborations. The Officer highlighted that the voluntary organisations and charities that the Council is in partnership with are held accountable by the Charity Commission and Charity Law, and are usually registered with Companies House, providing the legal and regulatory framework. The Voluntary Sector Liaison Committee, which brings together key voluntary organisations in partnership working with the Council has also been selected as one of the partnerships for spot checking.

The Audit Committee thanked the Officer for the report and noted the progress made around partnership and collaborative.

## **10. ANNUAL GOVERNANCE STATEMENT**

The Audit Committee was presented with a report, which provided information on the progress made in dealing with the areas for improvement identified during the 2013/2014 process.

As part of the 2013/14 Annual Governance Statement process the following three areas were identified as requiring improvement, the Council's business continuity arrangements, the Interim management arrangements and the timeliness of responses to Freedom of Information and Environmental Information Regulations requests.

To assist with the improvement process and to allow for the monitoring of progress the Annual Governance Review Panel has compiled an action plan. Following updates from the responsible staff at panel meetings the action plan is used to determine progress and to focus on outstanding issues.

The Audit Committee considered the report and appendix, which provided details of the progress made against the recommendations. A Member queried the increase in the numbers of Freedom of Information requests (FOI) received. Officers explained that there was no specific reason for the increase in requests, members of the public are now far more aware of their rights in relation to decisions made by all public bodies, and it was noted that the increased presence in the press could have had an impact. Members noted that all staff were provided with training, however, a smarter approach to responding is required and the training assists with this.

In addition, a Member queried whether or not the Council maintains a public log of all responses to FOI requests, it was confirmed that this has been considered but currently is not recommended by officers. Following consideration and discussion, the Audit Committee noted the report and action plan and progress made to date and Members thanked Officers for including the Committee in the process.

## **11. INFORMATION ITEMS**

The Committee received and noted the following information items:-

- (1) Officers Declarations of Gifts and Hospitality;
- (2) Whistleblowing Policy;
- (3) Forward Work Programme;
- (4) Minutes of Corporate Governance Review Panel – 18th July 2014.

The Chair highlighted that as part of the Scrutiny Improvement Process, Audit Committee have been asked if a Peer Review could be conducted by the Scrutiny Research Officer. The Audit Committee unanimously agreed.

The Chair thanked all the Officers and Members for their attendance and wished them all a Merry Christmas and Happy New Year.

The meeting closed at 11.20 am.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 11th March 2015, they were signed by the Chair.

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CHAIR