

# Audit and Corporate Services Review Committee

8 November 2023

Present: Dr R Heath Davies (Chair)

Councillor S Alderman, Councillor D Clements, Dr M Havard, Mrs S Hoss, Councillor M James, Councillor R Owens, Councillor B Price and Councillor S Skyrme-Blackhall.

Officers in Attendance: Chief Executive, Head of Finance, Performance and Compliance Officer, Head of Decarbonisation, Health and Safety Project Manager, Director of Nature and Tourism and Democratic Services Manager. Also Jason Blewitt and Jonathan Mather (Audit Wales) and Nigel Ireland (Astari - Internal Audit).

(Virtual Meeting: 10.00am – 11.35am; 11.45am -1.00pm)

## 1. Apologies

There were no apologies for absence.

## 2. Disclosures

There were no disclosures of interest.

[With the agreement of the meeting, the Chair varied the order of the agenda in order to accommodate officers from Wales Audit who had another meeting to attend that morning.]

## 3. ISA260 Report to those Charged with Governance

The Chair welcomed Jason Blewitt and Jonathan Mather from Audit Wales who presented the report on the Audit of the Authority's Accounts 2022-23. It was reported that the Auditor's intended to issue an unqualified audit opinion once a Letter of Representation had been provided, and a draft of this was appended to the report for information. The letter referred to two uncorrected misstatements above the trivial level of £10,000 but lower than materiality (£205,000). These related to invoices for expenditure recorded in 2022-23 but the items not delivered until 2023-24 and also the value of some leases. The report also noted other misstatements that had been corrected by officers. Thanking the Head of Finance and his team for their assistance in undertaking the Audit, the Auditors noted that the work had identified a larger than usual level of errors and recommended that a review of the quality assurance checks be undertaken prior to the next audit. It was reported that the accounts and letter of representation would be presented to the Authority the following week for sign-off.



In response, the Head of Finance explained that the invoices related to grant expenditure where there had been issues with delivery and Members commented that they understood the difficulty of satisfying both grant conditions and audit requirements. The issue had been raised with Welsh Government. Officers went on to explain that there had been some staffing issues within the Finance Team which had contributed to the quality assurance problem but confirmed that ensuring effective financial systems was a priority for the Authority. The Auditors felt that the additional work was unlikely to lead to an additional cost to the Authority.

**Noted.**

#### **4. Minutes**

The minutes of the meeting held on the 12 July 2023 were presented for confirmation and authentication.

On the proposal of Dr M Havard, seconded by Councillor S Alderman, it was **RESOLVED** that the minutes of the meeting held on 12 July 2023 be confirmed and authenticated.

#### **5. Action Log and Matters Arising**

Action 896 (presentation in respect of Office 365) was the only action which had not been completed and it was noted that the IT Team now had a full complement of staff and an officer would hopefully attend the next meeting.

**Noted.**

#### **6. Report of the Health and Safety Group**

The minutes of the Health and Safety Group held on 19 September 2023 were **noted**.

#### **7. Internal Audit Progress Report**

The Chair welcomed Nigel Ireland from Astari, the Authority's Internal Auditors, who presented their report on Risk Maturity, which had been the subject of a Members' Workshop on 20 September 2023, and also provided an update on work undertaken since the last meeting. The Risk Maturity report contained 5 recommendations, together with a number of suggestions which provided advice on how to develop the risk management framework further. Its status was advisory, and there was therefore no assurance opinion. The Chief Executive added that the report would inform a revised Risk Management Policy, which would be presented to a future meeting of the Authority and following that a revised risk register would be presented to the Committee. Members welcomed the approach set out in the report and asked that those recommendations that were accepted by officers be recorded in the Audit Action log going forward.



The Internal Auditor also highlighted that there had been three changes to the Internal Audit Plan, these mostly relating to timing as a result of staff changes. Members were happy with revised plan.

**Noted.**

[While on the subject of Risk, the Chair took the Risk Register as the next item.

## **8. Risk Register**

The report presented the Authority's latest Risk Register. It was noted that following receipt of the Internal Audit report on Risk Maturity the Risk Management Policy would be reviewed, and therefore minimal changes had been made to the risks set out in the Register. The report went on to highlight the top 6 risks for the Authority.

Members believed that the risk score for the Risk 14 (Adverse impact of the pay and grading exercise) should be increased as there could be either budget implications or lower morale depending on the outcome, however the Chief Executive felt that little mitigation could be undertaken until the results of the exercise were available and noted that the risk would be reviewed before the next meeting.

It was suggested that the wording regarding the Risk 10 (Ash Dieback) should be amended to reflect both the health and safety risk and the landscape impact.

It transpired during the meeting that the incorrect Register had been attached to the report. Apologising for this, the Chief Executive circulated the correct document.

**Noted.**

## **9. Action Log for External Performance Audit and Internal Audit (Ending 30 September 2023)**

Members were reminded that a request had been made for an action log to assist with monitoring of actions agreed in Audit reviews. The Log before the Committee listed all actions, both those which had been completed and those outstanding. Outstanding actions had been added to the Authority's performance reporting system and would be monitored by Management Team. Actions had been prioritised by the previous Auditors, and it was noted that priority 1 actions were currently being progressed through revision of the Authority's Business Continuity and Disaster Recovery Plans.



The Chief Executive noted that most of the actions that were outstanding related to departments where there had been significant staff changes and it was hoped that the list would be significantly reduced in the near future.

Members considered this to be a useful document and made a number of suggestions for how it could be made more useful for them by highlighting those outstanding actions which were of highest risk and also providing some context from officers. The officer agreed to revise the action log before the next meeting.

### **Noted.**

[The meeting was adjourned between 11:35am and 11:45am]

## **10. Budget Performance Report**

The report of the Head of Finance set out the detailed net revenue budget for the six months to September 2023 which showed that the actual and committed expenditure was £2,820k, £197k (6.5%) under the profiled budget of £3,017k. The main reasons for the variance of actual expenditure against budget for each service department were set out in the report. Income figures for the second quarter showed that both mercantile sales and admissions were above budget, however car park income was down.

At the end of the second quarter the forecast revenue position for the 2023/24 year end was an operating deficit of £120k versus a deficit of £375k in the original budget, and the reasons for this were set out in the report, however it was noted that this was a significant improvement.

The capital programme for the year had increased from the original budget of £995k to a revised budget of £1,426k. The forecast was up due to the acquisition of land at Newport Sands funded from bespoke Welsh Government grant and new cutting machinery for the wardens, funding for which came from a Local Places for Nature grant administered by the Welsh Council for Voluntary Action. In addition, there had been a further payment for the installation of E.V. charging points which were now fully installed and operational.

Turning to the Authority's Reserves, it was reported that the forecasted deficit for the year was expected to be £120k and the General Reserve balance was therefore expected to fall to £1,021k at the year end. The capital grants unapplied reserve reflected the capital grants received but unspent in the year of receipt. The grants were in relations to the purchase of lands at Newport and remote mowing equipment. The Capital Receipts reserve and Earmarked Reserves would be used to fund



revenue and capital expenditure during the year and were expected to fall to £1k and £4,232k respectively at the end of the financial year.

Members were pleased to see the success of the centres but were concerned that either more income was needed in the medium term to avoid depleting reserves or costs would need to be cut. The Chief Executive replied that generation of income was an area of regular discussion with managers, however the dilemma was to generate income that met the deficit, rather than creating additional work.

**Noted.**

#### **11. Performance Report for the period ending 30 September 2023**

The report followed the structure of the Corporate and Resources Plan for 2022/23. As the Authority was going through a period of change, a transitional performance measurement framework had been put in place for 2023/24.

The report presented the performance to date up to 30 September 2023 and included Q2 statistics for some data sets recorded quarterly and highlighted those areas where targets were in red or amber or where positive progress had been made since the previous report. Updates were provided on a number of projects across each of the objectives and Members sought and received clarification on a number of these.

**Noted.**

#### **12. Business Continuity Plan**

The Head of Decarbonisation presented the latest Business Continuity Plan which had been amended in accordance with an internal audit recommendation. It was reported that the Plan provided overall guidance for staff in responding to any significant incident which interrupted normal business operations. An officer working group had recently met to ensure that all staff understood their roles and responsibilities and to plan for testing of the document. It would be reviewed regularly and brought before the Authority annually so that any changes could be agreed. It was noted that a Disaster Recovery Plan for IT was currently being developed.

Members were pleased to see this important document and were reassured by officers that other information which they identified would be included in the IT Disaster Recovery Plan.

**Noted.**



### **13. Health, Safety & Wellbeing Quarterly Report**

The Chair welcomed the Health & Safety Project Manager, who presented a report that updated the Committee on Incidents & Accidents, the Regular Safety Monitoring that took place, First Aid, Fire Risk Assessments, HAVS, the Health & Safety Group (the minutes of the latest meeting having been considered earlier in the meeting, minute 6 refers), H&S Audits, H&S Policies, Training, the Annual H&S Report and the Visitor Safety Group. A dashboard provided statistics in respect of staff sickness absence.

The Officer answered Members questions regarding the report, which was **noted**.

### **14. Hand Arm Vibration Syndrome (HAVS) – Update Report**

The Chair welcomed the Authority's Head of Nature Recovery, whose report followed on from the more comprehensive update report provided by the Director of Nature and Tourism at the Audit and Corporate Services Review Committee meeting held on the 12th July 2023. The report highlighted some of the most significant actions undertaken over the last few months to maintain progress, and the most up-to date copy of the HAVS Plan of Action was attached to the report. It was noted that monitoring was ongoing and further mapping and planning would take place over the winter in advance of next year's cutting season. In response to a question, officers anticipated that future reporting on HAVS would be included within the Health and Safety report, however Members asked that one further report be provided at the end of the winter period.

**Noted.**

### **15. Delegation of any issues for consideration by the Continuous Improvement Group**

It was **RESOLVED** that there were no issues of concern that the Committee wished to delegate to the Continuous Improvement Group for consideration.

**Noted.**

