

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

Minutes of the meeting of the Audit Committee held at the County Borough Council Offices, The Pavilions, Cambrian Park, Clydach Vale on Monday, 29 June 2015 at 5 p.m.

Present

County Borough Councillors

J.Bunnage	G.Smith
C.Davies	M.J.Watts
M.Griffiths	C.J.Willis
P.Griffiths	

Independent Member:

Mr.R.Hull

Officers in Attendance:

Mr.P.J.Lucas – Director, Legal & Democratic Services
Mr.P.Griffiths – Service Director, Performance & Improvement
Mr.M.Crumbie – Operational Audit Manager

Wales Audit Office:

Mr.J.Saunders – External Audit Manager

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from County Borough Councillors (Mrs) A.Calvert, A.L.Davies, MBE, (Mrs) S.Jones, R.Lewis, P.Wasley, E.Webster, D.Weeks and C.J.Williams.

2 DECLARATIONS OF INTERESTS

There were no declarations of personal interests in matters pertaining to the agenda.

3 ELECTION OF CHAIRMAN OF THE AUDIT COMMITTEE 2015/16

RESOLVED to elect Mr.Roger Hull as Chairman of the Audit Committee for the 2015/16 municipal year.

4 APPOINTMENT OF VICE-CHAIRMAN OF THE AUDIT COMMITTEE 2015/16

RESOLVED to appoint County Borough Councillor Graham Smith as Vice-Chairman of the Audit Committee for the 2015/16 municipal year.

5 MINUTES

RESOLVED to approve as an accurate record, the minutes of the meeting of the Audit Committee held on 6 May 2015.

6 MATTERS ARISING FROM THE MEETING OF THE AUDIT COMMITTEE ON 6 MAY 2015

The Committee was provided with the following oral updates:-

- (a) Minute No.62(3) – Finalised Audit Assignments – the Committee Members were provided with the criteria used by Internal Audit when allocating ratings to recommendations (low, medium or high priority).
- (b) Minute No.62(4) – Finalised Audit Assignments – the Operational Audit Manager reported that the Head Teacher of Llwynyrwn Primary School had confirmed that training relating to safeguarding was reviewed annually.
- (c) Minute No.63(2) – Internal Audit Annual Report 2014/15 – the Operational Audit Manager confirmed that ‘Mental Health Services’ had been included in the 2015-16 Internal Audit Annual Plan.

7 PRESENTATION – THE ROLE OF INTERNAL AUDIT

The Committee received a presentation from the Operational Audit Manager on the role of Internal Audit.

During his presentation, the Committee was informed of the staffing structure of the Internal Audit Team together with its primary role which was to review, appraise and report upon the adequacy of internal controls as a contribution to the proper, economic, efficient and effective use of resources. The Operational Audit Manager also informed the Committee that the Internal Audit was independent and the overriding objective of the service was to provide assurance (or not) to Senior Management and the Audit Committee that sound governance arrangements are in place to manage risk(s). The Operational Audit Manager added that where controls were considered inadequate, an assessment was made and if necessary, recommendations made to improve controls and manage risk(s). The Committee was also advised of the type of work undertaken by Internal Audit and reporting mechanisms.

The Operational Audit Manager also outlined the role of the Audit Committee in monitoring the performance of Internal Audit and the status of internal control within the Council.

The Chairman thanked the Operational Audit Manager for his presentation and asked that the presentation slides be sent to all Committee Members following the meeting.

REPORTS OF THE GROUP DIRECTOR, CORPORATE AND FRONTLINE SERVICES

8 INTERNAL AUDIT BUSINESS PLAN 2015/16

The Committee was provided with a copy of the Internal Audit Business Plan for the 2015/16 financial year.

During consideration of the Business Plan, Members noted that the objectives included for 2015/16 were specifically focused on further strengthening areas of governance, risk management and developing more detailed information for the Audit Committee.

Following a discussion, it was **RESOLVED** –

- (1) To note the contents of the report.
- (2) To agree the adequacy of the Business Plan in supporting the delivery of an effective Internal Audit Service during 2015/16.
- (3) To receive updates during 2015/16 in respect of progress against objectives.

9 ASSESSING THE PERFORMANCE OF INTERNAL AUDIT – OPTIONS

The Operational Audit Manager provided the Committee with options in respect of the format and extent of information they might wish to receive during the coming year, to assist in the effective scrutiny of Internal Audit's performance.

Following consideration of a range of possible options, it was **RESOLVED** –

(1) Monitoring the Internal Audit Annual Plan

To agree the following format:

- i. Retain the 'headline' Performance Indicator (PI) - % of the audit plan completed to draft report stage.
- ii. Provide information in respect of when the audit is scheduled to commence.
- iii. Provide the 'status' of each audit.

(2) Monitoring the Performance of Internal Audit

That PIs Aud 2,3,4,5 & 6 be replaced with information that provides a summary of performance for each audit review that has commenced in the format shown under Option 1 of the proposals.

(3) Monitoring the Status of Recommendations

- i. To replace PIs Aud 7 & 8 with a summary of areas where recommendations are not being implemented within the agreed timescales.
- ii. To note that if any audit recommendations are not accepted by Management, the Audit Committee will receive 'exception reports' thereon.

10 SUMMARISED OUTCOMES OF INTERNAL AUDIT REPORTS – OPTIONS

The Operational Audit Manager provided the Committee with options in relation to the format and extent of information they might wish to receive during the year in respect of finalised audit assignments and following consideration of the proposals, it was **RESOLVED** that for each finalised audit assignment, the Audit Committee will be provided with the Introduction, Scope & Objectives and Opinion and also a summary of all recommendations (High, Medium and Low) made in the format shown under 'Option 2' of the proposals.

**R.HULL
CHAIRMAN**

The meeting closed at 6.30 p.m.