

**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 Thursday, 30<sup>th</sup> October, 2014 at 5 p.m.

**Present:**

R.Hull – in the Chair

**County Borough Councillors**

L M Adams  
(Mrs) A Calvert  
R Smith  
C J Willis

S Bradwick  
(Mrs) S Jones  
B Stephens

(Mrs) J Bunnage  
S Lloyd  
P Wasley

**Officers in Attendance**

Mr.P.Griffiths – Service Director, Performance & Improvement  
Mr.C.Jones – Service Director, Legal & Democratic Services

**Wales Audit Office**

Mr.J.Saunders

**28. APOLOGIES FOR ABSENCE**

Apologies for absence were received from County Borough Councillors C Davies, M Griffiths, E Webster and D Weeks.

**29. WELCOME**

The Chairman welcomed Cllr S Bradwick to his first meeting of the Audit Committee.

**30. DECLARATIONS OF INTEREST**

In accordance with the Code of Conduct, the following declarations of interest were made pertaining to the agenda:-

County Borough Councillor P Wasley, Agenda Item 4 – “I am an LEA Governor of Cwmlai School”.

County Borough Councillor S Bradwick, Agenda Items 3 & 4 – “I am the new Chair of Governors at Aberdare Community new School and I have a parking permit which I pay Rhondda Cynon Taf County Borough Council for, plus I have been at meetings for new residents bases.”

31. **MINUTES**

**RESOLVED** – to approve as an accurate record, the minutes of the meeting of the Audit Committee held on the 15<sup>th</sup> September, 2014.

32. **MATTERS ARISING**

- (a) Minute No.25 (2) – It was advised that the Operational Audit Manager was scheduled to present the sickness absence audit report to each group management team prior to Christmas.
- (b) Minute 25(3) - This information was incorporated within Item 3 of the agenda.
- (c) Minute No.25 (4) – The Service Director, Performance & Improvement advised that formal endorsement by the Head Teacher at Tonyrefail Comprehensive School was now in place in respect of letting of school facilities.
- (d) Minute No. 25 (5) – It was advised that a letter to Darrenlas Primary School is in the process of being compiled.

33. **ASSIGNING PRIORITY RATINGS TO RECOMMENDATIONS AND DETERMINING AUDIT OPINIONS.**

The Service Director, Performance & Improvement provided the Committee with a copy of the framework used by Internal Audit to assign priority ratings to recommendations and determine the 'overall opinion' for each audit, as requested at the previous Committee meeting.

Members were advised that at the start of the 2014/15 financial year, the Operational Audit Manager reviewed the wording of the overall opinions in use and also the framework used by auditors when considering the individual priority ratings assigned to recommendations made.

It was added that the methodology contained within the Framework provided the Council's Internal Audit Team with guidance on how to prioritise recommendations and determine overall audit opinions, whilst also ensuring consistency across the team in respect of these areas.

Members thanked the Service Director for the report and following a request, the Service Director provided examples of what would be deemed high, medium and low priority ratings for recommendations made.

Members queried how Internal Audit tracked the status of recommendations in terms of them being implemented and the Service Director advised that email confirmations are received from the designated service managers confirming whether or not the agreed recommendations have been implemented within the timescales set

Following consideration of the report, the Committee **RESOLVED** to note the report.

(N.B. At this juncture in the meeting County Borough Councillor S Lloyd made the following declaration of interest pertaining to agenda item 4 “ I am a Governor of Cardinal Newman School, but I am not invited to attend meetings”.

**34. PROGRESS AGAINST THE 2014/15 AUDIT PLAN**

The Service Director, Performance & Improvement provided Members with an update on the progress made by the Internal Audit Service in delivering the Audit Plan 2014/15, together with performance against targets for the Service up to 30<sup>th</sup> September, 2014.

The Committee were also advised that since the last Audit Committee a Group Audit Manager had taken voluntary early retirement and the post made redundant as part of this process. It was outlined that the management duties of the Group Audit Manager post would become the responsibility of the Operational Audit Manager and the allocation of audit assignments would be re-prioritised across the Internal Audit Service to enable the Committee to form an opinion on the overall control environment within the Council for the 2014/15 financial year.

It was queried whether estimated end dates for planned audit work could be added to the plan to provide a clearer picture to the Committee. The Service Director agreed to look into this and provide an up date at the next Committee meeting.

One member of the Committee raised concerns about the staff reduction within the Internal Audit Team and the potential impact this would have on delivering the 2014/15 Audit Plan. The Service Director, Performance & Improvement indicated that the challenging financial climate the Council is operating within has necessitated a review of all services. He went onto add that the reduction of a Group Audit Manager post was taken after careful consideration; this included ensuring management duties could be realigned and relevant audit assignments reallocated to enable the Service to continue to report appropriate information to Audit Committee on the standard of internal control across the Council.

**RESOLVED** – To note the information.

**35. FINALISED AUDIT ASSIGNMENTS 2014/15**

The Service Director, Performance & Improvement provided Members with a summary of audit assignments completed between 1<sup>st</sup> September and 14<sup>th</sup> October, 2014. The report outlined a summary of the reviews undertaken and the audit opinions for each assignment.

The Committee considered the summarised audit assignments in respect of:

- Creditors

- Legal Services – Childcare
- Catering Services
- Cwmlai Primary school
- Ferndale Community School
- Llanilltud Faerdref Primary School
- Pupil Absenteeism
- Y Pant Comprehensive School (Follow Up)
- YG Rhydywaun
- Cardinal Newman Roman Catholic Comprehensive School
- Leisure Establishment Review – Rhondda
- Llwydcoed Crematorium
- Parking Services

Following consideration of the above mentioned summaries, it was **RESOLVED –**

1. To note the contents of the report.
2. Whether the variances between client / contractor numbers within the Catering Services review resulted in any loss of income to the Council and for this to be fed back at the next meeting
3. That the rationale for not assigning a 'high priority status' to the Child Protection Policy recommendation at Cwmlai Primary School be provided to the Committee at the next meeting.
4. Consideration be given to providing Audit Committee with summary information that confirms whether auditees have agreed to the implementation of recommendations made by Internal Audit.
5. That the concerns of Committee in relation to Y Pant Comprehensive School be referred to the Director, Education & Lifelong Learning and that in consultation with the Director, consideration be given to presenting the Full Internal Audit report direct to the School's Governing Body.
6. The Service Director, Performance & Improvement to enquire whether schools can be mandated to use the Council's Governor Support Service.
7. That Internal Audit undertakes a follow-up review of YG Rhydywaun, with specific focus on the School Private Fund.
8. That Internal Audit undertakes a follow-up review of Cardinal Newman Roman Catholic Comprehensive School.
9. That clarification be provided at the next Committee meeting on the Leisure Centre that was audited as part of the 'Leisure Establishment Review – Rhondda'.

### **36. STRATEGIC RISK REGISTER**

The Service Director, Performance & Improvement provided the Committee with a copy of the Council's Strategic Risk Register.

Members of the Committee were advised of the process used by the Operational Audit Manager to compile the Strategic Risk Register. It was also advised that the register identifies 15 strategic risks that could hinder / prevent the Council from delivering the aims and outcomes set out in its priority plans

for 2014/15. To monitor this area, it was noted that the risks were included within the quarterly Performance Reports of the Council. The Service Director added that the register was a 'live' document and would be updated, as required, to recognise new and emerging risks throughout the year.

Members of the Committee spoke positively about the report and acknowledged the work of all officers involved in the process. One Member suggested that the Risk Management Toolkit be circulated to all Members of the Council for information.

The Chairman queried when an update on the register would be presented back to the Committee and the Service Director, Performance & Improvement commented that an update report would be presented post-April 2015.

Following the discussions the Committee **RESOLVED:-**

1. To note the contents of the report
2. That the Service Director, Performance & Improvement relay the Committee's positive comments to the Operational Audit Manager.
3. That a copy of the Risk Management Toolkit be circulated to all Members of the Council for information.

**MR.ROGER HULL  
CHAIRMAN**

**The meeting closed at 6.45 p.m.**