

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, Clydach Vale on Wednesday, 6 May 2015 at 5.00 p.m.

PRESENT

Mr.R.Hull – in the Chair

County Borough Councillors

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|-----------------|-----------|
| (Mrs) A.Calvert | M.J.Watts |
| M.Griffiths | P.Wasley |
| (Mrs) S.J.Jones | E.Webster |
| R.W.Smith | |

In Attendance:

County Borough Councillor M.Webber – Cabinet Member for Council Business & Corporate Affairs

Officers in Attendance:

Mr.C.B.Jones – Service Director, Legal & Democratic Services
Mr.P.Griffiths – Service Director, Performance & Improvement
Mr.M.Crumbie – Operational Audit Manager

Wales Audit Office

Mr.J.Saunders
Mr.T.Buckle

56 APOLOGIES FOR ABSENCE

Apologies for absence were received from County Borough Councillors L.M.Adams, S.Bradwick, (Mrs) J.Bunnage, C.Davies, S.Lloyd, B.Stephens, D.Weeks and C.J.Willis.

57 DECLARATIONS OF INTEREST

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

58 MINUTES

RESOLVED to approve as an accurate record, the minutes of the meeting of the Audit Committee held on 23 March 2015.

59 MATTERS ARISING FROM THE MEETING OF THE AUDIT COMMITTEE ON 23 MARCH 2015

The Committee was provided with the following oral updates:

- (a) Minute No.54(2) – Finalised Audit Assignments 2014/15 – the follow-up audit of Maesgwyn School would be undertaken in the first quarter of 2015/16. The School Clerk had been seconded to another post out of the School between the period October 2013 and September 2014, and during that time alternative cover was arranged by the School. Following the completion of the secondment, the School Clerk returned to her duties at the School and works full-time. It was confirmed that the Chair of Governors had received a copy of the audit report.
- (b) Minute No.54(3) – Finalised Audit Assignments 2014/15 – the Head Teacher at Williamstown Primary School commenced in post in January 2014 and received training in respect of financial administration during November and December 2014. Although the formal training was provided sometime after commencement in post, Audit Committee were informed that the Headteacher commented favourably on the support and guidance provided by Finance colleagues since taking up the role.

REPORTS OF THE WALES AUDIT OFFICE

60 2015 AUDIT PLAN FOR RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

The Committee received the above-mentioned document which set out the work plan of the Wales Audit Office for 2015/16, in accordance with statutory functions. The report was outlined to Members by the two Wales Audit Office representatives present at the meeting.

The 2015 Audit Plan set out the proposed work of the Auditor General in order to fulfil his obligations under the Public Audit (Wales) Act 2004, the Local Government (Wales) Measure 2009, the Local Government Act 1999 and the Code of Audit Practice namely to:

- Examine and certify whether the Council's financial statements are "true" and "fair";
- Assess whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources;
- Audit and assess whether the Council has discharged duties and met the requirements of the Measure; and
- Undertake studies to enable him to make recommendations for improving economy, efficiency and effectiveness or for improving financial or other management arrangements.

The Plan also set out details of who would undertake the work and the costs involved.

Following a discussion, it was **RESOLVED** to note the 2015 Audit Plan of the External Auditor.

61 2015 AUDIT PLAN – RHONDDA CYNON TAF PENSION FUND

The Committee received the above-mentioned document which set out the work plan of the Wales Audit Office for 2015/16 , in accordance with statutory functions.

The Plan set out the proposed work of the Auditor General in order to fulfil his obligations under the Code of Audit Practice to examine and certify whether the Rhondda Cynon Taf Pension Fund accounting statements were “true and fair”. The Plan also outlined when work would be undertaken, who would undertake the work and the costs involved.

It was **RESOLVED** to note the 2015 Audit Plan of the External Auditor in relation to the work planned for the Rhondda Cynon Taf Pension Fund.

REPORTS OF THE GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES

62 FINALISED AUDIT ASSIGNMENTS

The Committee was provided with a summary of the following audit assignments completed between 7 March 2015 and 10 April 2015:

Chief Executive

- Planning Services

Community & Children’s Services

- Children’s Day Care Services
- Transition Planning

Corporate and Frontline Services

- Disposal of Land & Property

Education & Lifelong Learning

- Hawthorn Primary School
- Llwynocrwn Primary School
- Park Lewis Primary School
- Penrhiwceiber Primary School
- Rhigos Primary School

and following consideration of the outcomes, , it was **RESOLVED** –

(1) To note the contents of the report;

- (2) It was noted by Members that there was an emerging trend of improvement in the standard of internal control as set out in the reports received in respect of schools;
- (3) That the criteria used by Internal Audit when allocating ratings to recommendations (low, medium or high priority) be re-circulated to Audit Committee members; and.
- (4) That the Head Teacher of Llwynrwn Primary School be contacted in order to confirm that training relating to safeguarding is reviewed at least annually.

63 INTERNAL AUDIT ANNUAL REPORT 2014/15

The Committee was presented with the Internal Audit Annual Report for 2014/15.

The Annual Report summarised the work of Internal Audit between April 2014 and March 2015 and provided an overview of the progress made in delivering the key objectives as identified in the Internal Audit Business Plan 2014/15. The report highlighted areas of service across the Council where improvements in control were deemed necessary by the Audit Committee and provided an assurance statement in respect of the Council's overall system of internal control.

A summary of the performance of Internal Audit was also provided and in this regard, the Operational Audit Manager confirmed that 84% of the audit plan had been completed to draft report stage during 2014/15, which was the Team's best performance in the last four years. Whilst noting the positive performance, the Team would endeavour to improve upon this during 2015/16.

The Operational Audit Manager also made reference to the objectives in place for 2015/16 and that at its first meeting in the 2015/16 municipal year, the Audit Committee would be asked to consider what other information could be reported to further enhance the ability of Committee in scrutinising the performance of the Internal Audit Service.

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

- (1) To note the contents of the report.
- (2) To agree that an audit of 'Mental Health Services' be undertaken during 2015/16.

64 DRAFT ANNUAL GOVERNANCE STATEMENT 2014/15 – RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

The Committee was requested to consider the draft Annual Governance Statement for 2014/15 as outlined in Appendix A to the report.

The document had been compiled by the Annual Governance Statement Working Group comprising a cross section of Officers from all Groups of the Council and the Cabinet Member for Council Business & Corporate Affairs. The document had also been subject to review by the Council's Section 151 Officer.

The Operational Audit Manager outlined the report and advised that based on the review, assessment and on-going monitoring work undertaken during 2014/15, the document concluded that sound governance arrangements were in place, key systems were operating as intended and there were no fundamental weaknesses.

One member raised the appropriateness of the first two recommendations within the Annual Governance Statement (those relating to ensuring that education and services delivered to children and adults remain priorities for the Council during 2015/16). The Member queried whether these were indeed recommendations relating to the overall governance arrangements of the Council. The External Audit Manager highlighted the following recommendation that related directly to the role of Audit Committee:

“In accordance with the Terms of Reference for Audit Committee, Audit Committee will receive regular updates on how the recommendations contained within the 2014/15 Annual Governance Statement are being managed.”

It was added that in line with this role, Audit Committee would receive updates on what arrangements are in place to manage their delivery, not to scrutinise the delivery itself, which would be the remit of specific scrutiny committees.

Audit Committee commented on the thoroughness of the document and wished to thank all Group members for their work in preparing the document.

Following a discussion, it was **RESOLVED** to recommend the certification of the document by the Leader of the Council and the Chief Executive in readiness for inclusion within the Council's 2014/15 Statement of Accounts.

**R.HULL
CHAIRMAN**

The meeting terminated at 6.10 p.m.