

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, 26 October 2015 at 5 p.m.

Present

Mr.R.Hull – in the Chair

County Borough Councillors

(Mrs) J.Bunnage	G.Smith
(Mrs) A.Calvert	R.K.Turner
C.Davies	E.Webster
P.Griffiths	D.Weeks
(Mrs) S.J.Jones	C.J.Willis

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.T.Buckle – Wales Audit Office
Mr.J.Saunders – External Audit Manager

19 APOLOGIES FOR ABSENCE

Apologies for absence were received from County Borough Councillors M.Griffiths, P.Wasley and M.J.Watts.

20 DECLARATION OF INTEREST

County Borough Councillor (Mrs) A.Calvert declared a personal interest in respect of Agenda Item No.4(c) – Audit of Financial Statements Report – Rhondda Cynon Taf Pension Fund – “My Husband receives a Local Government Pension”. Councillor Calvert also declared a personal interest in Agenda Item No.5 – Internal Audit Performance – “I am a Governor at Cwmaman Infants School”.

REPORT OF THE DIRECTOR, LEGAL & DEMOCATIC SERVICES

21 APPOINTMENT OF VICE-CHAIR OF THE AUDIT COMMITTEE

In his report, the Director, Legal & Democratic Services notified Members of recent correspondence with the Wales Audit Office

resulting in the need for the Committee to consider electing a new Vice-Chair for the remainder of the 2015-16 municipal year based on the criteria that the Vice-Chair of the Committee should not be a member of an Executive Group.

Following consideration of the report, it was **RESOLVED** –

- (1) To note the recent correspondence with the Wales Audit Office regarding the appointment of the Audit Committee Vice-Chair as outlined in the report.
- (2) To elect County Borough Councillor C.Davies as Vice-Chair of the Audit Committee for the remainder of the 2015-16 municipal year based on criteria that the Vice-Chair of the Committee must not be a member of an Executive Group.

(Note: The Committee thanked the outgoing Vice-Chair – County Borough Councillor G.Smith – for his work during his appointment)

22 **MINUTES**

RESOLVED to approve as an accurate record, the minutes of the meeting of the Audit Committee held on 7 September 2015.

23 **WALES AUDIT OFFICE**

(a) WORKPLAN AND TIMETABLE (APRIL 2015 - MARCH 2016) – RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

Pursuant to Minute No.15 (Audit Committee, 7 September 2015) the Committee received the report of Mr.T.Buckle who outlined the Wales Audit Office Workplan and timetable for the period April 2015 – March 2016. This related to work at both National and Local level.

In presenting the information, Mr.Buckle informed Members of the change to the date planned for the publication of the Annual Improvement Plan from March 2016 to May 2016.

Mr.Buckle stated that it was intended to present updated progress reports, including any planned changes to the workplan, to the Committee on a quarterly basis from next year.

The Chairman thanked Mr.Buckle for the information and he left the meeting.

It was **RESOLVED** to note the information.

(b) AUDIT OF FINANCIAL STATEMENTS REPORT

Mr. J.Saunders, External Audit Manager, presented to the Committee the Wales Audit Office – Audit of Financial Statements report for Rhondda Cynon Taf County Borough Council.

In outlining the report, Mr Saunders brought Members' attention to the fact that one issue arising from the audit related to it not being initially clear how the Council's Valuer had assessed service potential when valuing schools using the depreciated replacement cost methodology. Mr Saunders added that additional work was undertaken by the Wales Audit Office to satisfy themselves that the valuations were materially correct. Going forward, whilst the contract in place sets out the requirements for valuations to be compliant with the CIPFA Code of Practice on Local Authority Accounting in the UK, the Council does need to be explicit in this regard to have surety that its instructions are being followed. Mr Saunders was meeting with Council officers and valuers to take this issue forward.

Mr Saunders also mentioned that no significant difficulties were encountered during the audit, however, higher than expected levels of queries and discrepancies were encountered which meant the audit work took longer than originally planned. He referred to the fact that Welsh Government was currently consulting on plans to bring forward the timetable for preparing and publishing the accounts of local government bodies in Wales. Current proposals indicate that for 2018-19 and 2019-20, accounts would be prepared by 30 June (same as currently) and published by 31 August (one month less than currently) and that for 2020-21 onwards, to be prepared by 31 May and published by 31 July. The timetable would therefore be reduced by two months: one month less for the preparation and one month less for the publication. Mr. Saunders indicated that this would be challenging for all councils and emphasised the need for the Council and the Wales Audit Office to continue to work closely together as part of planning and undertaking the audit.

Following a general discussion, it was **RESOLVED** to note the report.

(c) AUDIT OF FINANCIAL STATEMENTS REPORT RHONDDA CYNON TAF PENSION FUND

The Committee was presented with the Wales Audit Office – Audit of Financial Statements Report – Rhondda Cynon Taf Pension Fund and following consideration thereof, it was **RESOLVED** to note the report.

REPORTS OF THE GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES

24 INTERNAL AUDIT PERFORMANCE

The Operational Audit Manager presented the report outlining the performance information in respect of the Internal Audit Service up to the end of September 2015. At the meeting, the Operational Audit Manager informed Members that the information contained within Appendix 2 of the report was incorrect and in its place Members were provided with the correct data. Members were also informed that all overdue recommendations had been implemented.

The Operational Audit Manager confirmed that as at the end of September 2015, 31% of the Audit Plan had been completed to report stage. Following consideration of the report, it was **RESOLVED** –

- (1) To note the information contained in the report.
- (2) To receive clarification as to why it took 32 calendar days between completing the fieldwork and issuing the draft report for the audit review of YGG Bodringallt.

25 FINALISED AUDIT ASSIGNMENTS

The Committee was provided with a summary of the following audit assignments completed in the period 18 August 2015 - 30 September 2015:

Corporate & Frontline Services

- Fleet Management

Education & Lifelong Learning

- Maesgwyn School
- Pengeulan Primary School
- Safeguarding DBS Checks in Schools
- Maesycoed Primary School
- Penderyn Primary School

Chief Executive

- Theatres
- Sickness Absence Procedures

and following consideration of the outcomes of the various assignments, it was **RESOLVED** to note the contents of the report.

26 STRATEGIC RISK REGISTER

The Operational Audit Manager outlined the report which provided a copy of the Council's Risk Management Strategy (Appendix A), the

Council's Strategic Risk Register (Appendix B) and the Risk Management Toolkit (Appendix C).

Members were informed that it was the role of the Audit Committee to monitor the adequacy of the Council's risk management arrangements and not to challenge the specific actions taken to manage the risks contained within the strategic risk register. The Operational Audit Manager added that it was the responsibility of the Cabinet, along with the scrutiny function, to challenge the owners of risks as part of the Council's quarterly performance reporting arrangements.

The Operational Audit Manager also informed Members that the Council's Strategic Risk Register was a 'live' document with review arrangements in place internally, at an officer level, and externally via the Council's quarterly performance reporting arrangements.

Following a discussion, it was **RESOLVED** to approve the adequacy of the risk management arrangements in place.

**R.HULL
CHAIRMAN**

The meeting closed at 5.40 p.m.