

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

Minutes of the meeting of the Audit Committee held at The Pavilions, Clydach Vale on Monday, 12th September, 2016 at 5.00 p.m.

PRESENT

Mr. R. Hull - in the Chair

County Borough Councillors

J. Bunnage	P. Griffiths	P. Wasley
(Mrs) A. Calvert	(Mrs) S.J. Jones	E. Webster
W.J. Davies	G. Smith	C.J. Willis
C. Davies	G. Stacey	

Officers in Attendance

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

Wales Audit Office

Mr. T. Buckle and Mr. M. Jones

9 APOLOGIES FOR ABSENCE

Apologies for absence were received from County Borough Councillor (Mrs) A. Davies, R.K. Turner and M.J. Watts.

10 DECLARATIONS OF INTERESTS

The following declarations of personal interests in matters pertaining to the agenda were received from County Borough Councillor G. Smith:

- (1) Agenda Item No.5 – Draft Statement of Accounts 2015/16 – “I am a member of the Pension Fund Committee and the Capita Joint Committee.”
- (2) Agenda Item No.7 – Internal Audit Performance – “I am a Governor at one of the Schools mentioned in the report.”

11 MINUTES

RESOLVED to approve as an accurate record, the minutes of the meeting of the Audit Committee held on 27th June 2016.

12 MATTERS ARISING FROM THE MINUTES

- (1) Minute No.8(2) – the Operational Audit Manager confirmed that the Council receives an annual grant from the Department for Work & Pensions towards the administration of housing benefits.
- (2) Minute No.8(3) – the Operational Audit Manager confirmed that management had now put in place a formal purchasing card system at Mountain Ash Comprehensive School.

13 2015/16 WALES AUDIT OFFICE PERFORMANCE AUDIT PROGRAMME

Mr. T. Buckle of the Wales Audit Office presented the following reports to the Committee:

- Financial Resilience Assessment
- Improvement Assessment 2015-16 : Review of the council's arrangements for managing improvement
- Improvement Assessment 2015-16 : Review of decision-making arrangements in relation to service change
- Annual Improvement Report 2015-16

Mr. Buckle responded to Members' questions and following consideration of the reports before them, it was **RESOLVED** –

- (1) To note the information presented in the reports.
- (2) To request that Audit Committee Members be provided with a copy of the Estyn Inspection Report of the Central South Consortium Joint Education Service, for information purposes.

14 2016/17 WALES AUDIT OFFICE PERFORMANCE AUDIT PROGRAMME

Mr. T. Buckle of the Wales Audit Office presented the Regulatory Programme Letter for 2016/17 which was sent to the Chief Executive in May 2016 confirming the programme of performance audit work at Rhondda Cynon Taf County Borough Council for 2016/17.

Mr. Buckle also presented details of the Work Programme and Timetable – Quarter 1 update and it was **RESOLVED** to note the information.

REPORTS OF THE GROUP DIRECTOR, CORPORATE AND FRONTLINE SERVICES

15 DRAFT STATEMENT OF ACCOUNTS 2015/16

In his report, the Group Director, Corporate and Frontline Services provided the Committee with the opportunity to consider the certified draft Statements of Accounts for the 2015/16 financial year in respect of the Council and the

Central South Consortium Joint Education Service Joint Committee, the Annual Return for Llwydcoed Crematorium Joint Committee along with an update of the audit process being undertaken by the Wales Audit Office.

Mr. M. Jones of the Wales Audit Office provided Members with the following oral update on the draft statement of accounts:-

- all the accounts would be signed-off by 29th September 2016 although the planned audit work was slightly behind schedule this year.
- an objection had been received from a member of the public regarding the accounts. This had been investigated but was not upheld and the individual concerned now had 28 days to respond. It was anticipated the accounts would be closed by the end of September 2016.
- the University of South Wales had transferred to the RCT Pension Fund and accordingly adjustments now had to be made to the accounts.
- an issue regarding redundancy costs would be reported to the Central South Consortium Joint Education Service Committee but it was still anticipated the accounts would be signed-off by the end of September.
- An appropriate response had been provided by the Council's Chief Executive in respect of responsibilities relating to fraud.

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

- (1) To note the Council's certified draft Statement of Accounts for the financial year 2015/16 (Appendix 1)
- (2) To note the Central South Consortium Joint Education Service Joint Committee certified draft Statement of Accounts for the financial year 2015/16 (Appendix 2)
- (3) To note the Llwydcoed Crematorium Joint Committee certified Annual Return for the financial year 2015/16 (Appendix 3)
- (4) That there were no issues brought before the Committee during the year which would impact on the Accounts which need to be brought to the attention of Council in approving the Statement of Accounts and Annual Return.
- (5) To request Officers to provide Committee Members with a breakdown of costs paid to third parties, for information purposes.

(Note: County Borough Councillor (Mrs) S.J. Jones declared a personal interest in the above-mentioned matter stating "I am a member of the South Wales Fire & Rescue Authority".

16 AUDIT COMMITTEE WORK PLAN 2016/17

The Operational Audit Manager outlined the report of the Group Director, Corporate & Frontline Services which set out details of the timetable for the

delivery of the suggested work programme for the Audit Committee in 2016/17 to ensure the Committee meets its overall Terms of Reference.

The Operational Audit Manager pointed out that there was one omission from the draft Work Programme and that related to the Committee, in January 2017, receiving an overview of the Wellbeing of Future Generations Act in terms of implications in respect of Internal Audit and Risk Management. This would be added to the work programme along with any other ad hoc reports that may arise during the year.

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

- (1) To note the contents of the report.
- (2) To agree the suggested work programme, as revised at the meeting, and the timetable for delivering it during the 2016/17 municipal year.

17 INTERNAL AUDIT PERFORMANCE 2016/17

The Operational Audit Manager outlined the report of the Group Director, Corporate & Frontline Services which provided performance information in respect of the Internal Audit Service between 1st April 2016 and 31st August 2016 and following consideration of his comments, it was **RESOLVED** to note the information.

18 FINALISED AUDIT ASSIGNMENTS

The Operational Audit Manager provided the Committee with a summary of the following audit assignments completed between 16th June and 31st August 2016:

- Creditors (2015/16)
- Community Homes (2015/16)
- Coed-y-Lan Primary School
- Penywaun Primary School

The Operational Audit Manager referred to the fact that a couple of recommendations listed in the report had not been accepted by Management but in the cases concerned, balanced arguments against implementation of the recommendations had been put forward by Management for the Committee's consideration.

It was **RESOLVED** –

- (1) To note the information.
- (2) To accept the arguments put forward by Management not to implement recommendations.

- (3) To receive an update at the next meeting as to the type of income being collected and deposited at relevant Community Homes.

19 CHAIRMAN'S CLOSING REMARKS

Before closing the meeting, the Chairman informed Members that this would be the last meeting of the Audit Committee that Zelda Maisey, Principal Officer – Committee Services, would be attending owing to her retirement from the Council at the end of the month. The Chairman, on behalf of the Committee, thanked Zelda for all the support and assistance she had provided to both Members and Officers over her many years of service and wished her all the very best for the future. These sentiments were echoed by the Committee Members who all wished her a long and happy retirement.

**R. HULL
CHAIRMAN**

The meeting terminated at 6.15 p.m.