

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

Minutes of the meeting of the Audit Committee held on Monday, 20th March 2017 at 5 p.m. at the Council Offices, The Pavilions, Clydach Vale

PRESENT

Mr.R.Hull – in the Chair

County Borough Councillors

W. J. David	G. Stacey
(Mrs) A. Davies	R. K. Turner
C. Davies	P. Wasley
(Mrs) S. J. Jones	C. J. Willis

OFFICERS

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

Wales Audit Office

Mr. M. Jones
Ms J. Morgan

43. APOLOGIES FOR ABSENCE

Apologies for absence were received from County Borough Councillors (Mrs) J. Bunnage, (Mrs) A. Calvert, P. Griffiths, G. Smith, M. J. Watts, E. Webster and C. J. Williams.

44. DECLARATIONS OF INTERESTS

In accordance with the Members' Code of Conduct the following declarations of interest were made:-

- County Borough Councillor G. Stacey – Agenda Item 6 – Draft Internal Audit Annual Report 2016/17 – “ I am Governor of Ysgol Gyfun Garth Olwg”
- County Borough Councillor W. J. David – Draft Internal Audit Annual Report 2016/17 – “ I am Governor of Ysgol Gyfun Garth Olwg”
- County Borough Councillor (Mrs.) S. Jones – Agenda Items 6 & 8 respectively “There is reference to Pontrhondda and Llwynypia Primary School in the reports of which I am a Governor” .

45. MINUTES

RESOLVED – to approve as an accurate record the minutes of the meeting of the Audit Committee held on the 23rd January 2017 subject to it being noted that County Borough Councillor G. Stacey is a Governor of Ysgol Gyfun Garth Olwg which should have been reflected in the Minutes.

(The Chair stated that any matters arising would be considered following the Wales Audit Office reports)

46. WALES AUDIT OFFICE 2017 AUDIT PLAN FOR RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL AND 2017 AUDIT PLAN – RHONDDA CYNON TAF PENSION FUND 2017

The Committee received the reports of the Wales Audit Office in relation to:

- the 2017 Audit Plan for Rhondda Cynon Taf County Borough Council; and
- the 2017 Audit Plan – Rhondda Cynon Taf Pension Fund.

Mr Jones of the Wales Audit Office addressed Committee on items relating to the financial audit plan for the Council and the Pension Fund and Ms J. Morgan on items relating to the performance audit programme.

Mr Jones outlined the Audit Opinion Risks as set out in exhibit 2 of the report. He highlighted other work which falls under the remit of the external auditor such as undertaking the audit of Llwydcoed Crematorium Joint Committee, the Central South Consortium Joint Committee and the Welsh Church Act Fund. In conclusion, Mr Jones drew Members' attention to the proposed fees for the individual audit areas as set out within exhibit 7 of the report.

Ms. Morgan explained that the local government studies listed under exhibit 5 are available on the WAO website should Members wish to view them and outlined the performance audit programme for the next municipal year. Committee was advised that the positive performance of the Local Authority has been reflected in the reduction of fees for the next municipal year.

In response to a request Ms. Morgan explained the acronyms within the report such as the PSB (the Cwm Taf Public Service Board) which she confirmed has made good progress this year, helping to shape good practice across Wales.

RESOLVED to note the contents of the 2017 Audit Plan for Rhondda Cynon Taf County Borough Council and the 2017 Audit Plan – Rhondda Cynon Taf Pension Fund.

47. RESPONSE TO WALES AUDIT OFFICE PROPOSALS FOR IMPROVEMENT

In his report the Group Director, Corporate & Frontline Services set out the steps taken by the Council to monitor the implementation of 'proposals for improvement' included within the following Wales Audit Office (WAO) reports:-

- Local authority arrangements to support safeguarding children follow up; and
- Good governance when determining significant service changes.

Members were asked to form a view on the adequacy of the steps taken by the Council to monitor the implementation of the 'proposals for improvement'. The Service Director, Performance & Improvement reminded Members of the Audit Committee of their role and that of 'Scrutiny Committees' in respect of monitoring the Council's progress against the Wales Audit Office proposals for improvement.

The Service Director, Performance & Improvement highlighted the positive progress made in respect of addressing the recommendations relating to the Council's Corporate Safeguarding arrangements and advised Members that there has been a programme of training and communication in place for Officers across the Council to support on-going improvement in this area.

The Service Director, Performance & Improvement also presented the Wales Audit Office review in respect of the effectiveness of the Council's governance arrangements when determining significant service changes and highlighted the three proposals for improvement. Members were reminded of the three areas and of the Council's action plan in place with timescales that respond to the proposals.

Following consideration of the Council's response to the Wales Audit Office proposals for Improvement, it was **RESOLVED:**

1. To note the steps taken by the Council to monitor the implementation of 'proposals for improvement' made within the WAO reports 'Local authority arrangements to support safeguarding children to follow up' and 'Good governance when determining significant service changes'; and
2. To note that Members are satisfied with the progress that has been made in relation to the steps taken by the Council to monitor the implementation of 'proposals for improvement' by the WAO'.

48. MATTERS ARISING

Minute No.40 (2) – Committee received an update from the Service Director, Corporate Design and Maintenance in respect of how contractors are appointed

to undertake works at school establishments. He explained that there are four types of contractors:-

- Statutory Maintenance (such as gas testing);
- Day to day works;
- Planned maintenance contractors; and
- Major capital works.

Following consideration of the feedback, it was **RESOLVED** to note the update.

REPORTS OF THE GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES

49. FINALISED AUDIT ASSIGNMENTS

The Operational Audit Manager provided the Committee with a summary of the following audit assignments completed between the period of the 10th January 2017 and 7th March 2017:

- Council Tax;
- Fleet Management and Maintenance;
- General Ledger and Accounting;
- Non-Domestic Rates;
- Waste Management;
- Darran Park Primary School;
- Our Lady's RC Primary School;
- Pontrhondda Primary School;
- Porth Junior School;
- St. Michael's RC Primary School;
- YGG Llantrisant; and
- Operational Risk Management.

Following consideration of the outcomes of the various assignments, it was **RESOLVED** to note the information.

50. DRAFT INTERNAL AUDIT ANNUAL REPORT 2016/17

In his report the Operational Audit Manager outlined the draft Internal Audit Annual Report for 2016/17 and requested that Committee review and if appropriate approve the report as well as the External Assessment and internal self assessment in respect of conformance with the Public Sector Internal Audit Standards.

The Operational Audit Manager stated that it was anticipated that 85% of the Audit Plan would be completed to report stage by the end of March 2017 with

eleven audits being carried forward into the 2017/18 Audit Plan. He added that two planned audits would not be carried forward into 2017/18 and referred Committee to 2.4 of the report which provided the key reasons for not fully delivering the Audit Plan.

In response to a question raised by a Member in respect of the level of sickness absence within the Internal Audit Service, the Operational Audit Manager assured Committee that the Service is closely managing this area and supporting staff to enable their timely return to work.

Following consideration of the report, it was **RESOLVED** to:-

1. Note the contents of the report;
2. Approve the Draft Internal Audit Annual Report 2016/17; and
3. Endorse the outcomes of the External Assessment and internal self assessment in respect of conformance with the Public Sector Internal Audit Standards.

51. INTERNAL AUDIT CHARTER 2017/18

In his report the Operational Audit Manager provided Committee with the draft Internal Audit Charter for 2017/18.

The Operational Audit Manager explained that there is a requirement for the Internal Audit Charter to be reported to and approved by the Audit Committee on an annual basis as required by Attribute Standard 1000 of the Public Sector Internal Audit Standards.

Following consideration of the report it was **RESOLVED** to:-

1. Approve the Internal Audit Charter for 2017/18 as required by Attribute Standard 1000 of the Public Sector Internal Audit Standards; and
2. That any future changes made to the Internal Audit Charter are highlighted for ease of reference.

52. DRAFT ANNUAL AUDIT PLAN 2017/18

In his report the Operational Audit Manager presented the draft Annual Audit Plan for 2017/18.

Following consideration of the report it was **RESOLVED** to approve the draft Annual Audit Plan for 2017/18 in its current form.

R.HULL

CHAIRMAN

The meeting closed at 6.30 p.m.

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