

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**Minutes** of the meeting of the Audit Committee held at The Pavilions, Clydach Vale on Monday, 5<sup>th</sup> June 2017 at 5 p.m.

**PRESENT**

**County Borough Councillors**

L. M. Adams	J. Cullwick	S. Pickering
H. Boggis	M. Fidler Jones	R. W. Smith
G. Caple	K. Jones	R. Yeo
A. Cox	D. Macey	

**Independent Member**

Mr. R. Hull

**Officers in Attendance**

Mr. C.B. Jones – Director of Legal & Democratic Services

Mr. M. Crumbie – Operational Audit Manager

Mr P. Griffiths - Service Director, Performance & Improvement

**Wales Audit Office**

Mr. M. Jones

**1 DECLARATION OF INTEREST**

In accordance with the Members' Code of Conduct the County Borough Councillor H. Boggis declared a personal interest in relation to Minute No. 46 – 'Reference to Llwydcoed Crematorium Joint Committee of which I am a member'.

**2 ELECTION OF A CHAIRMAN OF THE AUDIT COMMITTEE FOR 2017-18**

The Director of Legal & Democratic Services reminded Members of the requirements of paragraph 9.4 the Local Government (Wales) Measure 2011 in relation to the appointment of the Chairman of the Audit Committee. The Director confirmed that the Committee Members themselves decide upon the Chair and it can be a Councillor or a lay member, but cannot be a Councillor who belongs to a group with Members in the executive. With this in mind, the Director sought nominations for this position.

**RESOLVED** – That Mr.R.Hull, lay member, be elected as Chairman of the Audit Committee for the Municipal Year 2017/18.

**3. ELECTION OF VICE-CHAIRMAN OF THE AUDIT COMMITTEE FOR 2017-18**

In accordance with Minute No.10 (3.4) of the Annual General Meeting of the Council held on the 17<sup>th</sup> May, 2017 when it was agreed that the responsibility of the appointment of the Vice Chairman of the Audit Committee be delegated to the Audit Committee and it was **RESOLVED** – That County Borough Councillor K. Jones be elected as Vice-Chairman of the Audit Committee for the Municipal Year 2017/18.

#### 4. **INTRODUCTIONS**

At the request of the Chairman, introductions were made around the table for the benefit of Members and officers in attendance.

#### 5. **MINUTES**

**RESOLVED** to approve as an accurate record, the minutes of the meeting of the Audit Committee held on 20<sup>th</sup> March 2017.

#### 6. **POWER POINT PRESENTATIONS**

The Committee received three PowerPoint presentations from the Service Director, Performance & Improvement on the role of the Audit Committee; the Operational Audit Manager on the role of Internal Audit; and the Wales Audit Office outlining External Audit arrangements. Each presentation covered the following areas:

Audit Committee:-

- Audit Committee purpose
- Terms of Reference – An overview
- Discharging Audit Committee
- Knowledge and Skills
- Outcomes that you can expect

Internal Audit:-

- Internal Audit Charter
- Why the Council has an Internal Audit Service
  - What we do
  - Our reports and what we will provide to you
- Audit Plan 2017/2018
- Our Reports – The opinion

External Audit:-

- The work of the WAO
- Our work at RCT CBC
- The Financial Audit
- Financial Audit Outputs
- Audit of Financial Statements (ISA260) Report
- Our relationship with Internal audit
- Performance Audit (Local Government Measure)
- External Audit & the Audit Committee

The Service Director Performance & Improvement outlined the role of the Audit Committee in monitoring the performance of Internal Audit and the status of internal control within the Council. It was confirmed that the Audit Committee's draft work plan would be presented to Members at its meeting on the 17<sup>th</sup> July 2017 when they would have the opportunity to review the information presented, and if deemed appropriate, endorse the work plan for the year.

In response to a query, the Operational Audit Manager informed Committee of the staffing structure of the Internal Audit Team together with its primary role which is to independently review, appraise and report upon the adequacy of internal controls as a contribution to the proper, economic, efficient and effective use of resources. The Operational Audit Manager also responded to a query in respect of the process for the internal audit of external agencies.

The Wales Audit Office outlined its role and work in relation to the financial and performance audit at Rhondda Cynon Taf County Borough Council. Members were informed of the annual cycle of audits. With regard to the Audit Committee, the WAO Manager stressed the importance of Audit Committee Members being assured that they have sufficient skills to undertake their role, in particular in respect of the financial scrutiny required.

The Chairman thanked the Service Director, Performance & Improvement, the Operational Audit Manager and the Wales Audit Office for their presentations and following a request asked that the presentation slides be sent to all Committee Members following the meeting.

It was **RESOLVED** to:-

1. Note the PowerPoint presentations; and,
2. That the presentation slides are sent to all Committee Members following the meeting.

7. **DRAFT ANNUAL GOVERNANCE STATEMENT 2016/17**

The Committee was requested to consider the draft Annual Governance Statement for 2016/17 as outlined in Appendix 1 to the report.

The Service Director – Performance and Improvement informed the Committee that the document had been compiled by means of a two stage process which involved firstly discussions with Council officers and reviewing documentation, and secondly, a review, challenge and sign off process by the Council's Senior Leadership Team.

The Committee was asked to critically review the report and if deemed appropriate recommend its certification by the Leader of the Council and the Chief Executive in readiness for inclusion within the Council's 2016/17 draft certified Statement of Accounts. The Committee was also requested to consider authorising the Group Director, Corporate and Frontline Services to

include reference within the Annual Governance Statement any further reports by the Wales Audit Office relating to the Council between the date the Audit Committee papers were published (26<sup>th</sup> May 2017) and the date the 2016/17 draft Statement of Accounts are certified (i.e. by 30<sup>th</sup> June 2017).

The Service Director, Performance & Improvement advised the Committee that the review of effectiveness had concluded that the Council's governance arrangements were fit for purpose and publicly demonstrated how they contributed to the delivery of better outcomes for the area as set out in the Corporate Plan. The Service Director, Performance and Improvement drew Members' attention to Section 7 of the report which set out proposals aimed at further improving the governance arrangements in place.

A Member referred to paragraph 5.2.10 within the report and requested that the periodic update of all non-social services complaints and comments should also reflect compliments received. The Service Director, Performance and Improvement confirmed that this information will be incorporated into an up dated version of the Annual Governance Statement.

A Member requested that the report on the Council's work and performance around Information Management (point 5.8.16 of the report) is referred to the Overview & Scrutiny Committee for consideration. The Service Director, Performance and Improvement confirmed that arrangements will be made for this 'topic' to be incorporated onto the draft 2017/18 work programme for the Overview and Scrutiny Committee.

Following a specific query and discussion, it was agreed that County Borough Councillor A. Cox would receive the internal guidance document for Council employees that takes account of the National Principles for Public Engagement in Wales (Participation Cymru), referred to at point 5.3.17 within the report.

Further to a specific question, the Service Director, Performance and Improvement provided clarity on the definition of 'frontline services' as referred to at point 5.5.6 of the report and it was further explained that the information referenced at this section had been taken from the Council's 2016/17 Revenue Budget Setting Report (reported to Council on the 24<sup>th</sup> February 2016).

The Chair acknowledged that members who are new to the Audit Committee may not be familiar with previous reports and services referenced within the Draft Annual Governance Statement but commented on the thoroughness of the document and wished to thank all officers for their work in preparing the document.

Following a discussion, it was **RESOLVED**:-

1. To up date the Annual Governance Statement to make reference to 'compliments' at paragraph 5.2.10;

2. 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 2016/17 draft certified Statement of Accounts;
3. To authorise the Group Director – Corporate and Frontline Services to include reference within the Annual Governance Statement any further Wales Audit Office reports relating to the Council that are published between the date the Audit Committee papers are published (i.e. 26<sup>th</sup> May 2017) and the date the 2016/17 draft Statement of Accounts are certified (i.e. by 30<sup>th</sup> June 2017);
4. That the report on the Council's work and performance around Information Management (section 5.8.16 of the draft Annual Governance Statement 2016/17) is included as a 'topic' on the draft 2017/18 work programme for the Overview & Scrutiny Committee;
5. That a copy of the internal guidance document (that takes account of the National Principles for Public Engagement in Wales (Participation Cymru) be provided to the requesting Councillor; and
6. That the Committee receive an update during 2017/18 in respect of progress made for each of the areas for improvement included within the Annual Governance Statement.

**R. HULL  
CHAIRMAN**

The meeting terminated at 6.30 p.m.

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