

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

Minutes of the meeting of the Audit Committee held on Monday, 17th July 2017 at
5 p.m. at the Council Offices, The Pavilions, Clydach Vale

PRESENT

Mr.R.Hull – in the Chair

County Borough Councillors

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

OTHER MEMBERS

County Borough Councillor C.J.Willis – Scrutiny Performance Co-ordinator

OFFICERS

Mr. C. B. Jones –Director, Legal & Democratic Services
Mr. P. Griffiths – Service Director, Performance & Improvement
Mr C. Lee – Group Director, Corporate and Frontline Services
Mrs S. Davies – Head of Finance, Education & Financial Reporting
Ms. J. Nicholls –Senior Democratic Services Officer

8. APOLOGIES FOR ABSENCE

An apology for absence was received from County Borough Councillor K. Jones.

9. DECLARATIONS OF INTERESTS

In accordance with the Members' Code of Conduct, County Borough Councillor H. Boggis declared a personal interest in relation to Agenda Item 6 – Draft Statements of Accounts for the Financial Year ended 31st March 2017 – 'I am a member of the Llwydcoed Crematorium Joint Committee'

10. MINUTES

RESOLVED – to approve as an accurate record the minutes of the meeting of the Audit Committee held on the 5th June 2017.

11. MATTERS ARISING

Minute No. 7 - The Service Director, Performance & Improvement reported that Information Management had been incorporated into the Overview & Scrutiny draft work programme for 2017/18 at its meeting on the 10th July 2017 where it was agreed that an overview would be provided in November 2017 with a view to receiving a progress report in March 2018.

12. AUDIT COMMITTEE WORKPLAN

The Service Director, Performance & Improvement presented the Audit Committee work programme for the 2017/18 municipal year. Members were referred to Appendix 1 which set out the suggested work programme, in line with the Committee's Terms of Reference and timetable for its delivery.

Members were asked to consider the draft work programme and where appropriate suggest areas for inclusion on the work programme.

A Member commented that the draft work programme represented a comprehensive and robust report but requested that, in future, there should be no recommendations to 'note the contents of the report' as this was not conducive to producing effective outcomes.

It was **RESOLVED**:-

1. To agree the suggested work programme and the timetable for delivering it during the 2017/18 municipal year; and
2. That the term 'to note' in respect of recommendations is no longer used.

13. INTERNAL AUDIT PERFORMANCE

The Service Director, Performance & Improvement presented the Internal Audit Performance for 2017/18 providing performance information in respect of the Internal Audit Service between 1st April 2017 and 7th July 2017.

The Audit Plan attached to the report as Appendix 1 included the status of each audit review, the quarter in which the audit is/was planned to commence and incorporated the detailed performance information for each Internal Audit Review. Appendix 2 to the report provided a summary of the status of all recommendations made by the Internal Audit Service, grouped under the relevant service of the Council.

Members sought assurance that the reviews would be completed in a timely manner in view of the breakdown of the status of reviews set out within the report. In response the Service Director, Performance & Improvement reported that whilst generally good progress had been made in respect of commencing the fieldwork required to complete audit assignments, , one specific area for

improvement, namely the time taken to 'turn around' a number of draft audit reports would be monitored. He added that follow up reviews could be implemented if Members so required.

It was confirmed that further detail relating to the MASH/Children's Services review would be provided at the next meeting of the Audit Committee. Following consideration of the report, it was **RESOLVED**:-

1. To note the Internal Audit Performance for 2017/18; and
2. To provide further details to the next Committee in respect of the MASH/Children's Services audit reviews.

14. FINALISED INTERNAL AUDIT ASSIGNMENTS

The Service Director, Performance & Improvement presented the finalised audit assignments completed between 8th March and 4th July 2017 in respect of:-

- Management of Sickness Absence in Schools;
- Vibrant & Viable Places;
- Contract Management of Independent Fostering and Residential Placements;
- Ty Gwyn;
- Cwmclydach Primary School;
- Pontypridd High School;
- Tonyrefail School;
- Trehopcyn Primary;
- Ferndale Community School;
- Llwydcoed Primary;
- Housing Benefits;
- Pensions; and
- Taxation.

Following consideration of the outcomes of the various assignments, it was **RESOLVED** that a number of assignments are brought back before Audit Committee at its meeting on the 8th January 2018 for consideration, further to the Internal Audit Service undertaking follow up reviews:-

- Management of Sickness Absence in Schools;
- Contract Management of Independent Fostering and Residential Placements;
- Ty Gwyn;
- Pontypridd High School;
- Tonyrefail School; and
- Ferndale Community School.

**15. DRAFT STATEMENTS OF ACCOUNT FOR THE FINANCIAL YEAR ENDED
31ST MARCH 2017**

In his report (and in conjunction with papers circulated prior to the meeting) the Group Director, Corporate and Frontline Services provided the Committee with the opportunity to consider the certified draft Statements of Accounts for the 2016/17 financial year in respect of the Council, the Central South Consortium Joint Education Service Joint Committee and the Annual Return for Llwydcoed Crematorium Joint Committee.

Whilst guiding Members through the reports the Head of Finance, Education & Financial Reporting also highlighted the critical judgements in applying accounting policies and assumptions made about the future and other major sources of estimation uncertainty.

A discussion ensued on whether explanations for variances between years should be incorporated within the tables in the Statement of Accounts. . It was resolved not necessary as decision making reports, such as the Quarter 4 Council performance reports, are already in the public domain and have been reported to the Executive / Full Council.

Committee was also informed that the Comprehensive Income and Expenditure Statement (CI&ES) now reflects the current Group reporting structure.

There followed a discussion in respect of certification by S151 Officer prior to Audit Committee consideration of the unaudited accounts. Clarification was given that regulations require S151 Officer certification of draft accounts by 30th June.

A Member enquired about how much of a challenge it will be to meet the reduced timescales to produce the Statement of Accounts in line with the draft Accounts and Audit Regulations. It was considered that, as stated in section 4 of the report, it is likely there will be increased reliance upon estimates and assumptions and that the role of Audit Committee will include consideration of how appropriate such assumptions are. The Head of Finance stated that officers will continue to work with Wales Audit Office to ensure that the earlier deadlines are met and any changes in approach to accounting processes will be discussed and agreed with the auditors prior to implementation.

It was **RESOLVED** –

- (1) To note the Council's certified draft Statement of Accounts for the financial year 2016/17 (Appendix 1);

- (2) To note the Central South Consortium Joint Education Service Joint Committee certified draft Statement of Accounts for the financial year 2016/17 (Appendix 2);
- (3) To note the Llwydcoed Crematorium Joint Committee certified Annual Return for the financial year 2016/17 (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; and
- (5) Note the impact of the draft Accounts and Audit regulations upon the Council's statutory reporting requirements.

R.HULL

CHAIRMAN

The meeting closed at 6.30 p.m.