



## RHONDDA CYNON TAF COUNCIL AUDIT COMMITTEE

Minutes of the meeting of the Audit Committee held on Monday, 29 April 2019 at 5.00 pm at the Council Chamber, The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX.

### **Audit Committee Members in attendance:**

Mr R. Hull – Chair

### **County Borough Councillors:**

Councillor G Caple	Councillor A Cox
Councillor J Cullwick	Councillor M Fidler Jones
Councillor M Adams	Councillor H Boggis
Councillor R Yeo	Councillor G Davies
Councillor M Norris	Councillor E Webster
Councillor D Owen-Jones	Councillor S Rees

### **Officers in attendance**

Mr P Griffiths, Service Director – Finance & Improvement Services  
Mr A Wilkins, Director of Legal Services  
Mr M Crumbie, Head of Procurement Delivery  
Ms L Cumpston, Group Audit Manager  
Mr M Thomas, Head of Regional Audit Service  
Mr. M. Jones, Wales Audit Office

#### **68 Apology for Absence**

Apologies for absence were received from County Borough Councillors R. Smith. J. Elliott and M. Powell.

#### **69 Declaration of Interest**

In accordance with the Council's Code of Conduct, there were no declarations made pertaining to the agenda.

#### **70 Minutes**

It was **RESOLVED** to approve the minutes of the 25<sup>th</sup> March 2019 as an accurate reflection of the meeting, subject to the inclusion of Ms L Cumpston as in attendance.

#### **71 Matters Arising**

Minute No. 59: The Service Director, Finance & Improvement Services confirmed that the follow up review of Ysgol Llanhari had been included within the Quarter 1 Work Plan for 2019/20 and would take place in three months, as requested by Audit Committee.

**72 Wales Audit Office - 2019 Audit Plan - Rhondda Cynon Taf County Borough Council**

Mr Jones of the Wales Audit Office presented to the Committee the 2019 Plan for Rhondda Cynon Taf County Borough Council.

Prior to his presentation, Mr Jones took the opportunity to advise Members that the Council were making good progress to meet the earlier closure of accounts timescales.

Mr Jones explained that the Wales Audit Office sought to develop an approach which focuses on addressing specific risks whilst providing assurance for the Council's Statement of Accounts as a whole (and indicated that this approach also applied to the audit of the Rhondda Cynon Taf Pension Fund). He added that the audit approach before Members consisted of three phases: Planning, Execution and Concluding/Reporting.

Mr Jones went on to outline the Financial Audit Risks, as set out in Exhibit 2 of the report, and highlighted other work which falls under the remit of the external auditor in terms of undertaking the audit of the Central South Consortium Joint Education Service Joint Committee, Limited Assurance Report for the Llwydcoed Crematorium Joint Committee and audit of the Welsh Church Act Fund.

Referring to Exhibit 4 of the report, Mr Jones advised that the proposed 2019 external Audit fee of £359,599 was slightly less than the previous year's fee of £369,553.

In response to a query regarding the complaints procedure and specifically if an elected Member were to note any potential wrongdoing within the Council, Mr Jones advised that in the first instance, it would be appropriate to attempt to find a resolution via the Council's existing arrangements / procedures. Mr Jones went on to indicate that should an issue be considered unresolved, an informal complaint or formal complaint can be made to the Wales Audit Office under the Public Disclosure Act, whereby the issue would be considered.

Another Member requested feedback on whether the earlier deadlines for the completion of the closure of accounts process was challenging. The Service Director, Finance & Improvement Services fed back that although the timescales represent a significant challenge, the Council has established a robust approach to enable the earlier timescales to be met through upfront planning, effective record keeping and sound quality assurance arrangements, and highly competent and experienced officers. The Service Director added that Council Officers and Wales Audit Office Officers have and will continue to work closely together to effectively support the audit process and ensure the Council is well placed to meet the earlier statutory timescales.

Following discussion, the Audit Committee **RESOLVED** to acknowledge the content of the 2019 Audit Plan for Rhondda Cynon Taf County Borough Council.

**73 Wales Audit Office - 2019 Audit Plan - Rhondda Cynon Taf Pension Fund**

Mr Jones of the Wales Audit Office presented to the Committee the 2019 Plan for Rhondda Cynon Taf Pension Fund.

Referring to Exhibit 4 of the report, Mr Jones advised that the proposed 2019

external Audit fee of £39,385 was the same as the fee in the previous year.

Discussions ensued around the Local Government Pension Scheme (LGPS) in relation to Elected Members. It was suggested that the Council's Pensions Officer should attend a future meeting of the Committee to provide an overview of the remit of the Audit Committee in relation to the Pension Fund, to further assist Members with discharging their responsibilities. Members were informed that specific enquiries in respect of their personal LGPS arrangements can be raised directly with the Pensions Department.

Following discussion, the Audit Committee **RESOLVED:**

- a) To acknowledge the content of the 2019 Audit Plans for Rhondda Cynon Taf County Borough Council and Rhondda Cynon Taf Pension Fund; and
- b) That the Service Director, Pensions, Procurement & Transactional Services attend a future meeting of the Audit Committee to provide an overview of the governance arrangements in respect of the Pension Fund.

#### **74 Internal Audit - Finalised Audit Assignments 2018/19**

**(Note:** At this point in proceedings, County Borough Councillor A. Cox declared the following personal interest: "My daughter attends Ysgol Gyfun Cwm Rhondda").

The Service Director, Finance & Improvement Services introduced the report of the Director of Finance and Digital Services in respect of the audit assignments completed between 12<sup>th</sup> March 2019 and 12<sup>th</sup> April 2019:

- Disaster Recovery – Follow up;
- Treasury Management;
- Cwmaman Primary School;
- Parc Primary School;
- Ysgol Gyfun Cwm Rhondda; and
- Mountain Ash Comprehensive School – Purchase Card follow up.

In respect of the Disaster Recovery follow up review, one Member queried the difference between the Disaster Recovery Technical Plan and the Virtualisation Environment Disaster Recovery Technical Plan, and the officer advised that the information would be reported back to Members at the next Audit Committee meeting.

With regard to the Cwmaman Primary School update, one Member felt that it was unreasonable to ask the School to consider the introduction of a secure cash collection from LOOMIS. The Regional Head of Audit explained that the recommendation was not mandatory and was instead for the School's consideration.

When considering the Parc Primary School audit report, one Member referred to 5.2.1 of the report, suggesting that the implementation date of 31<sup>st</sup> July 2019 for the School to ensure that all residential visits/adventure activities are approved at least 28 days before the visit was too late and should be brought forward to include all summer events. The Service Director advised that the amendment would be put forward to the School.

In respect of the Ysgol Gyfun Cwm Rhondda audit report, one Member queried

whether all of the recommendations reported as implemented have indeed been implemented. The Service Director advised that the status of each recommendation reported as implemented would be checked by Internal Audit, with the outcome being reported to the next meeting of the Committee.

Discussions ensued around the follow-up review of Mountain Ash Comprehensive School Purchase Card, with Members expressing concerns in respect of the high priority recommendations reported as not having been fully implemented.

Following consideration of the outcomes of the assignments, it was **RESOLVED:-**

1. To receive and acknowledge the information contained within the report;
2. The difference between the Disaster Recovery Technical Plan and the Virtualisation Environment Disaster Recovery Technical Plan would be reported back to the next Committee.
3. The Committee's comments in respect of Parc Primary School be relayed to the School.
4. That in respect of the Ysgol Gyfun Cwm Rhondda audit report, the Internal Audit Service would check the status of the recommendations reported as implemented and report the outcome back to the next Committee.
5. That Internal Audit update the Director of Education and Inclusion Services on the position for Mountain Ash Comprehensive School and request that contact is made with the School to relay Audit Committee's feedback.
6. That a follow-up audit be undertaken at Mountain Ash Comprehensive School in 6 months to specifically review the area of Purchase Card, with the findings reported back to the Audit Committee for consideration.

## **75 Local Code of Corporate Governance**

The Service Director, Finance & Improvement Services provided the Audit Committee with the Council's draft Local Code of Corporate Governance for publication on the Council's website.

The Service Director explained that it was a requirement of the Council to develop a Local Code of Corporate Governance to ensure the key policies and procedures that comprise the Council's governance arrangements are set out in one easily accessible document.

When questioned about the benefits of the Local Code the officer advised that if approved, it would be included within the governance section of the Council's website to promote the Council's governance arrangements to elected Councillors and stakeholders. The officer added that the information will also be used to raise awareness of the Council's governance arrangements internally.

The Audit Committee **RESOLVED:**

- a) To approve the draft Local Code of Corporate Governance; and
- b) That the Local Code of Corporate Governance be published on the Council's website.

**76 Annual Governance Statement 2018/19 (incorporating a progress update on 2017/18 proposals for improvement)**

The Head of Procurement Delivery provided the Audit Committee with the Council's draft Annual Governance Statement for the 2018/19 financial year.

Following questions and comments from Members, it was **RESOLVED**:

- a) To recommend its certification by the Leader of the Council and the Chief Executive in readiness for inclusion within the Council's 2018/19 draft certified Statement of Accounts.
- b) In the event that reports from relevant External Inspectors be provided to the Council before the Statement of Accounts are certified, authorise the Director of Finance and Digital Services to include reference within the Annual Governance Statement.

**This meeting closed at 6.00 pm**

**R Hull  
Chairman.**