



## RHONDDA CYNON TAF COUNCIL AUDIT COMMITTEE

Minutes of the meeting of the Audit Committee held on Monday, 15 July 2019 at 5.00 pm at the Committee Room 1, The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX.

**Chair in attendance** – Mr R. Hull

### **County Borough Councillors - Audit Committee Members in attendance:-**

Councillor G Caple	Councillor J Cullwick
Councillor M Adams	Councillor G Davies
Councillor D Owen-Jones	Councillor S Rees
Councillor G Hughes	Councillor S Powell
Councillor R Yeo	Councillor K Jones

### **Officers in attendance**

Mr M Thomas, Head of Regional Internal Audit Service  
Mr P Griffiths, Service Director – Finance & Improvement Services  
Mr A Wilkins, Director of Legal Services  
Ms L Cumpston, Group Audit Manager  
Mr R Harries - Wales Audit Office

#### **12 Apologies for Absence**

Apologies for absence were received from County Borough Councillors M. Norris, M. Powell, A. Cox and M. Fidler Jones.

#### **13 Declaration of Interest**

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

#### **14 Appointment of Vice-Chair**

The Director, Legal Services sought nominations for the position of Vice-Chair of the Audit Committee for the Municipal Year 2019/20.

It was **RESOLVED** that County Borough Councillor K. Jones be elected as Vice-Chair of the Audit Committee for the Municipal Year 2019/20.

#### **15 Minutes**

It was **RESOLVED** to approve the minutes of the 10<sup>th</sup> June 2019 as an accurate reflection of the meeting.

#### **16 Matters Arising**

Minute No. 6 – In respect of issues concerning the Purchase Card at Mountain Ash Comprehensive School, the Head of the Regional Internal Audit Service

confirmed that a meeting had taken place with the Headteacher and the Director, Education and Inclusion Services to relay the feedback of the Audit Committee. It was reported that the meeting was positive and that the school were clear on the expectations of the Audit Committee.

Minute No. 9 – At the previous meeting, questions were raised regarding the Central South Consortium and its value for money. Following the meeting, Members received an electronic link to the most recent Efficiency and Effectiveness Review Report, which is presented to the Consortium on an annual basis.

Minute No. 11 – Following the previous meeting, the Head of the Regional Internal Audit Service confirmed that the amended Audit Committee Terms of Reference had been sent to Members electronically.

## **17 The role of Audit Committee incorporating the Draft Work Plan for 2019/20**

The Head of the Regional Internal Audit Service provided Members with an overview of the role of the Audit Committee and set out the draft Work Plan for the 2019/20 municipal year. Members were required to consider the draft Work Plan, in terms of whether it would support the delivery of the Committee's Terms of Reference, having regard to the CIPFA Practical Guidance Note 2018.

As the draft Work Plan had been produced earlier than previous years, Members were advised that some of the timescales may be subject to change. It was reported that a presentation in respect of the role of the Audit Committee, in terms of Members' duties in relation to the Authority's risk management, internal control and financial affairs, would be reported to a future meeting of the Audit Committee.

Referring to the draft Work Plan, a Member enquired why there was a lack of information against 'E: To review the governance and assurance arrangements for significant partnerships or collaborations'. The Head of the Regional Internal Audit Service explained that further discussions are needed with Council Services to propose to Audit Committee the area(s) within the theme of partnerships / collaborations to be included within the Work Programme.

Following discussions, it was **RESOLVED:**

- a) To approve the draft Work Plan, subject to any amendments for delivery during the 2019/20 municipal year.

## **18 Finalised Audit Assignments**

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 25<sup>th</sup> May 2019 and 1<sup>st</sup> July 2019.

Members were asked to consider the following audit assignments:

- Corporate and Frontline Services – Pensions 2018/19;
- Education and Inclusion Services – Thematic Reviews in Comprehensive Schools 2018/19; and
- Prosperity, Development and Frontline Services – Management of Fuel – Parks 2019/20.

In respect of the Audit report for Pensions, a Member enquired around the sample of 8 ill-health calculations and whether 2 inaccurate calculations represented a high error rate. The Head of the Regional Internal Audit Service advised Members that the sample was selected to target the most complex calculations so there was a greater likelihood of errors being identified.

Discussions ensued around the internal audit report for Thematic Reviews in Comprehensive Schools 2018/19, with Members agreeing on the importance of effective financial and safeguarding training for schools. Members were pleased to learn that Internal Audit had worked with the Director, Education and Inclusion Services to produce a self-evaluation toolkit, with the aim of roll out to all Comprehensive Schools in September 2019. The toolkit would be similar to that used by Primary Schools and would allow the schools to evaluate themselves against each key area of finance. The toolkit would also include a list of key contacts and guidance notes to help support schools in meeting / maintaining the required standards of internal control.

Following discussion, it was **RESOLVED**:

- a) To receive and acknowledge the information contained within the report;

## **19 Internal Audit Performance**

The Group Audit Manager presented the Internal Audit Performance for 2019/20.

It was reported that the Internal Audit Plan currently includes 69 individual audit assignments and, as at the 1<sup>st</sup> July 2019, 6% of planned audit work had been completed to report stage. Due to a change in Audit Committee meeting dates, the Group Audit Manager was able to update Members with a position statement as at 15<sup>th</sup> July 2019 and was pleased to report that 17% of the plan had been completed, in comparison to 13% at the same time last year.

Following consideration of the report, it was **RESOLVED** to approve the information provided.

## **20 WAO Verbal Update on the progress of the Audit of the Draft Statement of Accounts for 2018/19**

Mr R. Harries of the Wales Audit Office provided the Committee with an update on the positive progress of the audit to date and advised that the final position on the audit of the 2018/19 financial statements would be presented to the Council meeting on 31<sup>st</sup> July 2019.

Members were pleased to learn that although the deadlines were challenging, to date, the accounts were of good quality and that no significant issues had been identified. Members took the opportunity to thank the officers for their continuous hard work and it was **RESOLVED** to acknowledge the update.

**This meeting closed at 5.34 pm**

**R Hull  
Chairman.**