

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

Minutes of the meeting of the Audit Committee held on Monday, 16th October 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	J. Cullwick
H. Boggis	M. Fidler Jones
G. Caple	R. W. Smith
A. Cox	R. Yeo

OFFICERS

Mr M. Crumbie – Temporary Head of Internal Audit & Procurement
Development Programmes
Mr. P. Griffiths – Service Director, Performance & Improvement
Mr. C. B. Jones – Director, Legal & Democratic Services
Mr S. Vaughan – Service Manager, E-Procurement & Development
Ms G. Ellis – Procurement Manager, Operations & Projects
Ms. J. Nicholls – Senior Democratic Services Officer

23. APOLOGIES FOR ABSENCE

Apologies for absence were received from County Borough Councillors K. Jones, D. Macey and S. Pickering.

24. DECLARATIONS OF INTERESTS

In accordance with the Members' Code of Conduct, County Borough Councillor G. Caple declared a personal interest in relation to Agenda Item 6 – Finalised Audit Assignments – Porth County Community School – 'I am a Governor of the School'.

25. MINUTES

RESOLVED – to approve as an accurate record the minutes of the meeting of the Audit Committee held on the 4th September 2017.

26. MATTERS ARISING

Minute No. 22 – The Temporary Head of Internal Audit & Procurement Development Programmes confirmed that the Governing Body for Penpych

Community Primary School is due to receive a copy of the Internal Audit Review at its meeting scheduled for 29th November 2017.

27. UPDATED CONTRACT PROCEDURE RULES

The Service Manager, e-Procurement & Development presented the report of the Group Director, Corporate & Frontline Services in respect of the updated Contract Procedure Rules (CPRs). In accordance with the Constitution he sought Members approval in readiness for them to be presented to the Corporate Governance & Constitution Committee.

The Service Manager, e-Procurement & Development outlined the purpose and aims of the CPRs and he explained that the Council's CPRs do not apply to internal purchases, only to external suppliers and providers.

It was reported that with effect from 1st April 2017, all procurement activity with an estimated contract value in excess of £15,000 would be administered centrally through the Council's Procurement Service.

Members were informed that the aims of centralising procurement activity above the threshold reported were to increase control, transparency and help to ensure that procurement activities are undertaken by those individuals that have the appropriate skills and knowledge.

Following detailed discussion and consideration of the report it was **RESOLVED:-**

1) That Audit Committee, in accordance with its Terms of Reference, and following the requirements of the Council's Constitution, recommend that the revised CPRs be presented to the Council's Corporate Governance & Constitution Committee.

28. REPORTS OF THE WALES AUDIT OFFICE

The Service Director, Performance & Improvement presented the covering report of the Group Director, Corporate & Frontline Services setting out five Wales Audit Reports that had been presented to Council on 21st June 2017 and to the Overview & Scrutiny Committee on the 13th September 2017, these being:

- The Annual Improvement Report 2016/17;
- WAO risk-based assessment of corporate arrangements: improvements and performance;
- WAO risk-based assessment of corporate arrangements: collaboration and partnerships;
- Savings Planning; and
- WAO risk-based assessment of corporate arrangements: financial and service planning.

The Service Director specifically highlighted for Audit Committee paragraph 4.3 of the covering report that set out the Chief Executive's view i.e. *The five WAO reports were positive reports and reflected the fact that the Council has robust financial, service and performance management arrangements in place. Nevertheless, there are opportunities to improve these arrangements and the WAO has made a number of proposals for improvement across the reports. Action is being taken to address the proposals for improvement and the progress made against these actions will be reported to Members at the meeting.*

The Service Director, Performance & Improvement went on to highlight the responsibility of Audit Committee in assessing the adequacy of arrangements for monitoring 'proposals for improvement' made by the Wales Audit Office and potential lines of enquiry for Audit Committee to consider as part of discharging its responsibility, and also explained the different role the Overview and Scrutiny Committee play in the process.

The Chairman of the Overview and Scrutiny Committee fed back that this scrutiny committee reviews and challenges the progress the Council is making around implementing 'proposals for improvement' made by the Wales Audit Office and suggested that to further reinforce the arrangements, position statements of progress are included within committee papers rather than being provided verbally at meetings.

A member made reference to point 33 of the report at Appendix 4 – which stated that the Council needs to '*demonstrate...that it has reviewed its approach to fees and charges for its services, to achieve value for money*'. The Service Director, Performance & Improvement reported that a Fees and Charges Policy is in place and he outlined the process of analysis for reviewing the Council's fees and charges such as considering demand of users, affordability issues and benchmarking information.

Following consideration of the reports it was **RESOLVED:-**

- 1) That the Council's arrangements to monitor the implementation of 'proposals for improvement' made by the Wales Audit Office are adequate and to support further improvement in this area, that progress up dates are included within scrutiny committee papers; and
- 2) That there are no matters of a governance, internal control or risk management nature that require further action or attention.

29. REVISED AUDIT PLAN 2017/18

The Temporary Head of Internal Audit & Procurement Development Programmes presented the report which served to provide Committee with a revised Internal Audit Plan for the financial year 2017/18.

Members were informed of the reasons as to why the revised plan was required and were given detailed information in respect of what action had taken place to remove audits from the plan agreed by Audit Committee at their meeting held on 20th March 2017.

Committee was asked to consider the recommendations set out at 2.1 and 2.2 of the report which sought its opinion as to whether the revised plan is acceptable.

Following discussion it was **RESOLVED** that:-

- 1) The revised draft plan focuses the resources of the Internal Audit Service on the right areas of priority and risk; and
- 2) The revised plan is approved by the Audit Committee in its current form.

30. FINALISED AUDIT ASSIGNMENTS

The Temporary Head of Internal Audit & Procurement Development Programmes presented the report of the Group Director, Corporate & Frontline Services relating to the audit assignments completed between 16th August and 3rd October 2017 in respect of:-

- Hendreforgan Primary;
- Llwynceilyn Infants;
- Porth County Community School;
- Ysgol Ty Coch;
- General Ledger and Accounting;
- Treasury Management; and
- Payroll.

A discussion took place in respect of the absence of the target implementation dates for each recommendation. In response to this, the Service Director, Performance & Improvement agreed that an additional column could be inserted into future reports whereby the agreed implementation date would be included.

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

- 1) A follow-up review of Porth County Community School be undertaken prior to the end of the current financial year; and
- 2) That an additional column be included within future 'Finalised Audit Assignments' to more clearly demonstrate the timescales for implementing the recommendations.

R.HULL

CHAIRMAN

The meeting closed at 6.30 p.m.