



RHONDDA CYNON TAF COUNCIL AUDIT COMMITTEE

Minutes of the Audit Committee meeting held on Monday, 17 December 2018 at 5.00 pm at the Council Chamber, The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX.

Audit Committee Members in attendance:

Chair – R. Hull

County Borough Councillors:

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

Officers in attendance

Mr C Jones, Director, Legal & Democratic Services
Mr P Griffiths, Service Director, Performance & Improvement
Mr M Crumby, Head of Internal Audit & Procurement Delivery Programme
Mrs S. Davies - Head of Finance: Education & Financial Reporting
Mr C Evans, Programme & Support Manager

32 Apologies for Absence

Apologies for absence were received from County Borough Councillors M. Powell, G. Davies, M. Fidler Jones, R. Smith and the Wales Audit Office.

33 Declaration of Interest

In accordance with the Council's Code of Conduct, County Borough Councillor H. Boggis declared the following prejudicial interest in relation to Agenda Item 10 – Finalised Audit Assignments. 'I am Chair of Llwydcoed Crematorium and therefore, I will leave the meeting whilst the Audit Assignment outlined on page 116 of the report is considered'.

34 Minutes

It was **RESOLVED** to approve the minutes of the 5th November, 2018 as an accurate reflection of the meeting.

35 Matters Arising

Minute No. 27 – Council's Treasury Management Function – At the previous meeting, Members requested further information in respect of the news article which stated the amount of public finances in Wales that had been lost to fraud. The Head of Internal Audit & Procurement Delivery Programme was unable to provide any further information as the article did not specify the period of time

that the loss of finances related to. However, the officer confirmed that any loss of finances under the National Fraud Initiative would be published within the Council's Anti-Fraud, Bribery & Corruption Annual Report, which is scheduled to be reported in March, 2019.

36 Appointment of Vice-Chair

Following a change in membership, the Director, Legal & Democratic Services sought nominations for the appointment of the Vice-Chair of the Council's Audit Committee for the Municipal year 2018/2019.

Following a vote, it was **RESOLVED** that County Borough Councillor E. Webster be elected as Vice-Chair of the Audit Committee for the Municipal Year 2018/19.

Note: At this point in the proceedings, County Borough Councillor J. Cullwick left the meeting.

37 Wales Audit Office : Annual Audit Letter 2017/18 and Management Letter 2017/18

In the absence of the Wales Audit Office, the Head of Finance: Education & Financial Reporting provided Members with the Annual Audit Letter to Rhondda Cynon Taf Council for 2017/18, whereby Members were pleased to note the positive progress.

The Head of Finance: Education & Financial Reporting went on to provide Members with details of the Wales Audit Office Management Letter for 2017/18 relating to the Statement of Accounts which had been approved by Council on 19th September, 2018. Members were pleased with the detailed report before them and noted the Wales Audit Office recommendations from the 2017/18 audit work together with the actions the Council will take to address the recommendations.

The Audit Committee **RESOLVED** to note the update.

38 Wales Audit Office : Annual Improvement Report 2017/18

Note: At this point in the proceedings, County Borough Councillors D. Owen-Jones and S. Rees arrived at the meeting.

The Service Director, Performance & Improvement presented the report of the Group Director, Corporate & Frontline Services in respect of the Wales Audit Office Annual Improvement Report for 2017/18. Referring to Section 3 of the report, the Service Director advised the Committee of the Terms of Reference and their responsibility to consider the robustness of the Council's internal control arrangements. Members were reminded that should they feel that any performance related matters require further review, it is within the remit of the Committee to refer such matters to the designated Scrutiny Committee.

Members were pleased with the content of the report and Action Plan detailed at Appendix 1, and it was **RESOLVED** to acknowledge the steps taken by the Council to monitor the implementation of 'proposals for improvement' made within the Wales Audit Office 'Annual Improvement Report 2017/18'

39 2017/18 Annual Governance Statement Recommendations - An Update

The Service Director, Performance & Improvement presented the report of the Group Director, Corporate & Frontline Services in respect of the recommendations made within the Council's 2017/18 Annual Governance Statement. Members were reminded that the Annual Governance Statement relating to the 2017/18 financial year was approved by the Audit Committee at its meeting held on 30th April, 2018 and that a summary of action taken to implement the recommendations was provided at Appendix A of the report.

The Service Director went on to provide the Committee with an update on key areas:

- Local Code of Governance – The Service Director referred Members to Appendix B of the report and advised that work was being prioritised to create an accessible and standalone Governance section on the Council's website. The Service Director added that the Local Code of Governance would be completed in quarter 4 and made available on the Governance section of the Council's website.
- Complaints and Comments - The Service Director advised that a single team for dealing with comments, compliments and complaints received by the Council would be in place from January 2019.
- The Council's Financial Procedure Rules – The Service Director assured Members that the fundamental principles contained within the document remained sound and a review of the document would be undertaken in quarter 4, for example, to include appropriate references to the Public Services Board.

Following a query from one Member, the Service Director advised that non-social services complaints and compliments received by the Council would be presented in a similar reporting form as the current Annual Social Services Complaints and Compliments Report. The Service Director added that the relevant Scrutiny Committee would also have the opportunity to review the report during the year.

The Audit Committee **RESOLVED** that the progress made to implement the recommendations was satisfactory.

40 Risk Management Strategy Update

The Head of Internal Audit & Procurement Delivery Programme provided the Audit Committee with an overview of the Council's Risk Management Strategy. The officer referred Members to Appendix 1 where the Strategy was outlined and explained that proposed amendments did not change the fundamental principle of the Strategy that was originally approved by Cabinet in March, 2014.

Members **RESOLVED** to endorse the updated Strategy and agree for the revised document to be made available on the Council's website.

41 An Overview of Internal Control, incorporating a case study of Agile Working

With the aid of a PowerPoint presentation, the Programme & Support Manager provided the Audit Committee with an overview of Internal Control, together with a case study of agile working.

The Head of Internal Audit & Procurement Delivery Programme added that the purpose of the presentation was to broaden Members' knowledge and understanding in order to assist them when discharging their responsibilities as Audit Committee Members.

Following a number of questions from Members in respect of agile working, the officer gave an overview of the rollout of agile working and what plans were in place moving forward.

Referring to the support provided to staff, the officer advised that the use of regular questionnaires indicated positive feedback together with improvement in productivity alongside increased flexibility for staff when undertaking their work.

Following discussion, the Audit Committee **RESOLVED** to acknowledge the information provided.

42 Internal Audit Performance

The Head of Internal Audit & Procurement Delivery Programme presented the Internal Audit Performance for 2018/19 providing performance information in respect of the Internal Audit Service between 1st April, 2018 and 4th December, 2018.

It was reported that the Internal Audit Plan currently includes 79 individual audit assignments and, as at 4th December, 2018, 46% of the Plan had been completed to report stage.

The officer explained that Appendix 2 of the report provides a summary of the status of all recommendations made by the Internal Audit Service, grouped under the relevant service of the Council. The Committee was informed that there were no overdue/outstanding recommendations to report.

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

43 Finalised Audit Assignments

The Head of Internal Audit & Procurement Delivery Programme introduced the report of the Group Director, Corporate & Frontline Services in respect of the audit assignments completed between 27th October, 2018 and 4th December, 2018:

- Housing Grants
- Glyntaff Crematorium
- Llwydcoed Crematorium
- Energy Management
- Caradog Primary School
- Hawthorn Primary School
- In Year Transfer Protocols
- Miskin Primary School
- Mountain Ash Comprehensive School
- Parclewis Primary School
- Ysgol Llanhari

- Hawthorn High School – Follow Up

Note: Having earlier declared an interest in the above-mentioned report in respect of Llwydcoed Crematorium (Minute No. 33), County Borough Councillor H. Boggis left the meeting, whilst the report was discussed.

In respect of the Mountain Ash Comprehensive School report, Members raised questions in respect of the administration of the Purchase Card. Following discussion, Members felt it would necessary to revisit the School to undertake a follow-up specifically in relation to the Purchase Card.

Referring to the Ysgol Llanhari report, following discussion, Members felt it would be necessary for a follow-up review to be conducted in 6 months to determine whether the necessary progress was being made to implement the recommendations outlined within the report.

Discussions ensued around the follow-up review of Hawthorn High School with all Members expressing serious concern in respect of the unsatisfactory progress evidenced within the report. Due to the details outlined within the report, Members agreed that it would be beneficial to seek the opinion of the Director, Human Resources in conjunction with the Director, Education & Inclusion Services in respect of the Committee's ability to request that the Headteacher attends a future Audit Committee.

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

1. To receive and acknowledge the information contained within the report;
2. That a follow-up take place at Mountain Ash Comprehensive School, specifically in respect of the administration of the purchase card;
3. That a follow-up audit be undertaken in six months time to review the progress of Ysgol Llanhari; and
4. That the Audit Committee refer the Hawthorn High School report to both the Director, Human Resources and Director, Education & Inclusion Services as a matter of urgency, in order to ascertain whether the Committee has the ability to request the Headteacher to attend a future Audit Committee as set-out with the Terms of Reference.

This meeting closed at 6.25 pm

**R Hull
Chairman.**