



## **RHONDDA CYNON TAF COUNCIL AUDIT COMMITTEE**

Minutes of the Audit Committee meeting held on Tuesday, 17 December 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 A Cox
Councillor J Cullwick	Councillor M Adams
Councillor D Owen-Jones	Councillor S Rees
Councillor G Hughes	Councillor S Powell
Councillor R Yeo	

### **Officers in attendance**

Mr A Wilkins, Director of Legal Services  
Mr P Griffiths, Service Director – Finance & Improvement Services  
Mr I Traylor, Service Director – Pensions, Procurement & Transactional Services  
Mr M Thomas, Head of Regional Audit Service  
Mr A Hopkins, Principal Auditor  
Mr M Jones - Wales Audit Office  
Mr C Rees - Wales Audit Office

### **35 Apologies for Absence**

Apologies for absence were received from County Borough Councillors K. Jones, M Norris, M Fidler Jones, M Powell and G. Davies.

### **36 Declaration of Interest**

In accordance with the Council's Code of Conduct, the following declarations were made pertaining to the agenda:

- County Borough Councillor M. Adams declared a personal interest in Item 4 – Internal Audit Finalised Audit Assignments "I am Chair of Governors at Pontygwaith Primary. I will stay in the meeting whilst it is discussed, but will not take part"; and
- County Borough Councillor D. Owen-Jones declared a personal interest in Item 4 – Internal Audit Finalised Audit Assignments "I am Chair of Governors at Williamstown Primary. I will stay in the meeting whilst it is discussed, but will not take part".

### **37 Minutes**

It was **RESOLVED** to approve the minutes of the 5<sup>th</sup> November 2019 as an accurate reflection of the meeting.

There were no matters arising to address in the minutes.

### **38 Audit Committee - Appointment of Lay Member**

The Director of Legal Services presented the report, which set out arrangements to appoint a replacement Lay Member to the Audit Committee, to be effective from the start of the 2020-2021 Municipal Year, in accordance with the Local Government (Wales) Measure 2011.

During his presentation, the Director spoke of the Local Government and Elections (Wales) Bill, which was introduced by Julie James AM, Minister for Housing and Local Government on the 18<sup>th</sup> November 2019. Members were informed that should the bill be passed into legislation as drafted, it prescribes that one third of members must be lay members and that the Chair must be a lay member.

One Member questioned whether the appointment of the new Lay Member could be delayed to complement the potential changes made within the Local Government and Elections (Wales) Bill. The Director acknowledged the suggestion but advised that the timescales would not be suitable as the Bill would be passed in late Summer/Autumn, leaving the Audit Committee without a Lay Member for a number of months.

#### **Members RESOLVED:**

1. To acknowledge the decision of the Lay Member of the Audit Committee to resign from his position at the end of the 2019-2020 Municipal Year;
2. To acknowledge the arrangements, as set out in the report, relating to the appointment of a new Lay Member to the Audit Committee for a term of office commencing from the beginning of the 2020-2021 Municipal Year until the next ordinary Local Government Elections in 2022; and
3. To note that the [Local Government and Elections \(Wales\) Bill](#) contains provisions amending the constitution of the Audit Committee and its terms of reference.

### **39 Internal Audit - Finalised Audit Assignments**

The Head of the Regional Internal Audit Service introduced the report of the Director of Finance and Digital Services, in respect of the audit assignments completed between 19<sup>th</sup> October 2019 and 30<sup>th</sup> November 2019.

Members were asked to consider the following audit assignments:

- Pre-Employment Checks – Schools 2018/19;
- Leisure Services – Cash & Banking 2019/20;
- Llanharan Primary 2019/20;
- Williamstown Primary 2019/20;
- Penygawsi Primary 2019/20;
- Maerdy Community Primary 2019/20;
- Pontyclun Primary 2019/20;
- YGG Abercynon 2019/20;
- Pontygwaith Primary 2019/20;
- Ysgol Llanhari Follow Up 2019/20;
- Enforcement 2019/20; and

- Waste Services 2019/20.

In respect of the audit report for Pre-Employment Checks for Schools, one Member raised concerns about the four retrospective checks and queried how long the people were in post without DBS checks. Officers advised that the information would be provided to the Member.

In relation to the audit report for Leisure Services, one Member noted that issues had been identified at Llantrisant Leisure Centre in respect of Paying In Books, E>Returns and LOOMIS receipts on more than one occasion and asked if there were any procedures in place to resolve it. Officers advised that they would write to the management of Leisure Services to draw their attention to this and that it had been raised by Audit Committee, and to request an update on these specific areas for Audit Committee.

In relation to the audit report for Williamstown Primary, Members spoke of the current requirements for safeguarding training and questioned whether all schools were aware that Level 1 and 2 needed to be reviewed every 3 years and facilitated by RCT, with Level 3 being trained every 2 years. Officers informed Members that this would be checked with relevant Officers to confirm whether the advice provided to schools is consistent.

One Member spoke of the irregular banking of income, which had been identified in 5.3.1 of the report for Williamstown Primary and the risk of carrying significant funds. Discussions ensued around the introduction of a secure cash collection from LOOMIS, the costs involved in the cash collection service and the latest guidance issued to schools from Education & Inclusion Services in respect of safeguarding training requirements. Officers advised that an email would be distributed to Members with the above-mentioned information.

In relation to the audit report for YGG Abercynon, Members spoke of the transitional protection measures for Free School Meals, introduced by Welsh Government on April 1<sup>st</sup> 2019, during the rollout of Universal Credit. Members agreed that it would be beneficial for the changes to be distributed to schools, if this had not already been actioned.

Discussions ensued in respect of the follow-up audit report for Ysgol Llanhari with the Head of the Regional Internal Audit Service informing Members that 18 of the recommendations had been completed at the time of the follow-up visit and, since then, it has been confirmed that more recommendations have been implemented. Members queried the certification process for confirming whether agreed recommendations have been implemented and sought assurance that the recommendations had been implemented for Ysgol Llanhari. The officer advised that Ysgol Llanhari would be included within the following year's audit plan and the outcome reported to Audit Committee.

Referring to 5.1.6 of the Enforcement audit report, one Member questioned whether an agreement had been reached regarding the transfer of the existing 3GS footage to RCT and spoke of its importance for officers to pursue this. Officers advised that it would be checked with the Council's Information Management Team and the Service Manager, and an update would be reported at the next meeting of the Audit Committee.

One Member referred to 5.1.2 of the same report and raised concerns that there was no 'formal' dispute process in place for individuals who have been issued with a Fixed Penalty Notice (FPN) to challenge the decision. The Member felt that it should be a high priority in order to provide the public with assurance.

Officers advised that an update in respect of the implementation of the recommendation would be reported at the next meeting of the Audit Committee.

It was **RESOLVED:**

1. To receive an update at the next meeting of the Audit Committee on the procedures in place to ensure payment issues identified at Llantrisant Leisure Centre are not repeated, in relation to the Leisure Services audit report;
2. To check whether the safeguarding training requirements to schools had been communicated consistently;
3. That officers distribute information in relation to LOOMIS to Members in advance of the next Audit Committee meeting;
4. That the transitional protection changes introduced by Welsh Government in respect of Free School Meals is communicated to schools, if required;
5. That a follow up review of Ysgol Llanhari is included in the Audit Plan for the next financial year;
6. That an update is provided at the next meeting of the Audit Committee on whether an agreement has been reached regarding the transfer of the existing 3GS footage to RCT; and
7. That an update is provided at the next meeting of the Audit Committee on whether a 'formal' dispute process had been put in place for individuals who have been issued with a FPN to challenge the decision.

#### **40 Annual Governance Statement Update**

The Service Director, Finance & Improvement Services provided the Audit Committee with an update on the status of the recommendations that were made within the 2018/19 Annual Governance Statement.

Referring to the principle 'Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law', one Member questioned if the payslip insert, which had been scheduled to be issued to all staff in December 2019, had been complete. The Officer confirmed that this had been actioned.

Referring to the principle 'Ensuring openness and comprehensive stakeholder engagement', one Member raised concerns regarding the capacity of the Scrutiny Committee work programmes due to the frequency of Notice of Motions referred from Council. Two of the Scrutiny Chairs took the opportunity to explain the scrutiny process and advised that sufficient space is left in Scrutiny Committee work programmes to accommodate such referrals.

It was **RESOLVED:**

1. That satisfactory progress is being made to implement the recommendations.

#### **41 Arrangements in place for managing Corporate Risks**

The Service Director, Finance and Improvement Services provided the Audit Committee with an overview of the arrangements in place for the management of corporate risks and set out proposals for improvement. It was explained that as part of reviewing current arrangements, opportunities had been identified to build on this position to support Audit Committee in adding further value to the Council's overall governance arrangements and subject to consideration by Audit Committee, areas for improvement will be incorporated into an action plan for delivery from 2020 onwards.

The Service Director spoke of specific proposals for improvement to further strengthen Audit Committee's visibility of the Council's risk profile through presenting 'Strategic Risk Register' Information Reports to the Committee and also developing an on-going programme of training and support for Audit Committee.

Members fed back that they would welcome the opportunity to partake in training and the sharing of good practice with other Local Authorities that comprise the Regional Internal Audit Shared Service. A Member sought clarity around timescales for training noting that the Committee could comprise of more Lay Members, should the Local Government and Elections (Wales) Bill be passed in 2020 and that training would need to be repeated. The Service Director acknowledged that there could be changes to the membership of the Committee and confirmed that the roll-out and timescales for training would be agreed in consultation with the Committee.

It was **RESOLVED:**

1. To acknowledge the arrangements in place for the management of corporate risks; and
2. To endorse the proposals for improvement as part of supporting an on-going programme of development for Audit Committee.

**42 To consider passing the following under-mentioned Resolution:**

It was **RESOLVED:** "That the press and public be excluded from the meeting under Section 100A(4) of the Local Government Act (as amended) for the following items of business on the grounds that it involves the likely disclosure of the exempt information as defined in paragraph 14 of Part 4 of the Schedule 12A of the Act".

**43 National Fraud Initiative / Corporate Fraud Update**

The Service Director Pensions, Procurement and Transactional Services outlined the progress made to date against the Anti-Fraud, Bribery & Corruption work programme for 2019/20.

Following discussion, it was **RESOLVED:**

1. To acknowledge the outcomes of the anti-fraud work progress during 2019/20.

**This meeting closed at 6.40 pm**

**R Hull  
Chairman.**