



RHONDDA CYNON TAF COUNCIL AUDIT COMMITTEE

Minutes of the meeting of the Audit Committee meeting held on Monday, 3 February 2020 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 G Davies	Councillor M Norris
Councillor D Owen-Jones	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
Ms L Cumpston, Group Audit Manager
Mr C Rees - Wales Audit Office
Mr T Griffiths - Wales Audit Office

44 Apologies for Absence

Apologies for absence were received from County Borough Councillors K. Jones, S. Rees, M. Powell and M. Fidler Jones.

45 Declaration of Interest

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

46 Minutes

It was **RESOLVED** to approve the minutes of the 17th December 2019 as an accurate reflection of the meeting.

47 Matters Arising

At the previous meeting, Members raised a number of questions, which are detailed within Minute No. 39 –

- Members identified that audit findings in respect of Paying in Books, E>Returns and LOOMIS receipts at Llantrisant Leisure Centre had been raised on more than one occasion and asked if there were any procedures in place to resolve it. Officers assured Members that all staff at the Leisure Centre had been reminded of the procedures to be followed by Leisure Management and compliance checks had been introduced. Officers also confirmed that information has been provided to Audit Committee members,

via email, setting out cash collection costs for LOOMIS.

- In relation to the audit report for Williamstown Primary, Members raised concerns around 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 an email had been circulated to all schools in 2018 and again in 2019 by the Director of Education & Inclusion Services to ensure consistency and copies of these emails had also been forwarded to all Members for 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 1st 2019, during the rollout of Universal Credit and felt that it would be beneficial for the changes to be distributed to schools. Officers advised Members that individual emails had already been circulated to the schools, informing them of each child's entitlement and as part of this communication schools had been signposted to Welsh Government's website for further information.
- In respect of Ysgol Llanhari, Members sought assurance that the recommendations had been implemented. Officers confirmed that Ysgol Llanhari would be included within the following year's audit plan and the outcome reported to a future meeting of the Audit Committee.
- In respect of the Enforcement audit report, Members questioned whether an agreement had been reached regarding the transfer of the existing 3GS footage to the Council. Officers assured Members that this was in hand and that the transfer would be complete by April 2020.
- Members 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. Officers explained that following April 2020, where the transfer of existing 3GS footage to the Council would be complete, a formal process would be implemented. The officer acknowledged that the right to appeal is key and explained that there were appropriate measures in place in the interim.

48 Internal Audit Performance

The Group Audit Manager presented the Internal Audit performance for the period 1st April 2019 and 20th January 2020.

It was reported that the Internal Audit Plan currently includes 69 individual audit assignments and, as at the 20th January 2020, 59% of planned audit work had been completed to report stage. The officer was pleased to report that this was broadly in line with the position reported the same time last year.

The officer advised Members that although the report stated that there was one audit assignment in progress, there were a number of assignments in the early stages of planning. The officer added that following completion of the planning process, the audit assignments will commence and the status of the audits amended accordingly.

Referring to Appendix 2 of the report, where the status of the recommendations was outlined, the officer advised that the overdue recommendations had now

been implemented.

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

49 Finalised Audit Assignments

The Chair introduced the report of the Director of Finance and Digital Services, in respect of the audit assignments completed between 1st December 2019 and 20th January 2020.

Members were asked to consider the following audit assignments:

- Community and Children's Services - The Broker Service 2019/20;
- Community and Children's Services - Direct Payments 2019/20;
- Community and Children's Services - Llwydcoed Crematorium 2019/20; and
- Education and Inclusion Services - Perthcelyn Community Primary School 2019/20.

In relation to the audit assignment for the Broker Service 2019/20, one Member referred to recommendation 5.1.2 and the position that 9 out of 16 referrals did not meet the agreed timescale of replying within 24 hours. The Officer explained that the audit review had identified occasions where there were delays measured in days not hours and that the table in the audit report reflected these occasions. Following discussion, Members were content that the finding was a low priority and that appropriate arrangements had been put in place to monitor the area.

Following discussion, it was **RESOLVED** to receive and acknowledge the information contained within the report.

50 Wales Audit Office Project Brief: RCT Audit Committee Support and Development

The Service Director of Finance and Improvement Services provided Members with the Wales Audit Office Project Brief, which had been produced to support and develop the Audit Committee, as part of the Council's wider governance arrangements.

It was explained that the project would run over a 12 month period and the Wales Audit Office will seek to develop and scope activities with the Council that align with Audit Committee's forward plan and work programme. The Service Director added that the project will consider the Council's training and development for members;

- changes in membership of Audit Committee, including new Chair and appointment of a new lay member to the Committee; the impact of new local government legislation (as and when enacted) on the role of the audit committee, its responsibilities and its function; and
- The Regional Internal Audit Service and the relationship with audit committee and council officers.

The Chair of the Council's Overview and Scrutiny Committee spoke of the

Local Government & Elections (Wales) Bill and advised that the Committee met on 13th January 2020 to collate its response to the proposals. The Member stated that whilst the Committee generally welcomed many aspects of the Bill, they did not support proposals to increase the level of lay membership as it was felt that there would be a reduced level of democratic accountability.

Members sought clarity on the reason for the project and if there was any further information on the workshops. Wales Audit Office fed back that the new local government legislation (when enacted) and its impact on Audit Committee and the Council's preparedness for this, was one of the key drivers for the project. The Wales Audit Office added that further information will be discussed with the Audit Committee with regard to workshops at a forthcoming meeting.

Discussions ensued around the development of the Audit Committee Work Programme and training of its Members. Members welcomed the project and recognised that, regardless of any changes resulting from the Local Government & Elections (Wales) Bill, a project of this nature will help to further develop the effectiveness of Audit Committee's work.

The Audit Committee **RESOLVED** to acknowledge the content of the Wales Audit Office Project Brief for Rhondda Cynon Taf County Borough Council's Audit Committee.

51 Wales Audit Office Annual Improvement Report 2018/19 - Council Progress Update

The Service Director of Finance and Improvement Services provided the Audit Committee with the Wales Audit Office 'Annual Improvement Report 2018/19', which was presented to Council on 18 September 2019 and provided an update in respect of the progress made to date by the Council in implementing the proposals for improvement.

Members were reminded that to discharge the requirements of its Terms of Reference, the Council's Audit Committee has responsibility for:

- Providing independent assurance that there are adequate controls in place to mitigate key risks; and
- Determining whether there are any matters of a governance, internal control or risk management nature that require further action or attention.

It was added that as part of discharging its Terms of Reference, Audit Committee should also take account of the conclusions and findings from each Wales Audit Office report when forming an opinion on the adequacy of internal control / governance arrangements in place.

The Service Director drew Members' attention to table 1 of the report, where the Wales Audit Office's annual improvement reports were outlined and explained that these had also been reported to the Council's Overview and Scrutiny Committee on 20th January 2020 to review and challenge the progress the Council is making toward implementing agreed actions.

Discussions ensued around the different, albeit, complementary role, of the

Council's Scrutiny function and the potential overlap of the reports between Committees. The Chair commented that a number of the National reports detailed in table 1, were not matters of a governance, internal control or a risk management nature and as such, requested whether these could be reported as 'information reports' to Audit Committee in the future to ensure the Committee's time is appropriately afforded to those key matters that relate to its Terms of Reference. The Service Director confirmed that this feedback will be taken account of as part of future updates to Audit Committee.

The Audit Committee **RESOLVED:**

- a) That there were no matters of a governance, internal control or risk management nature that require further action or attention by Audit Committee; and
- b) That there were no matters of a performance nature that require review by the Council's scrutiny committees.

This meeting closed at 5.35 pm

**R Hull
Chairman.**