



RHONDDA CYNON TAF COUNCIL AUDIT COMMITTEE

Minutes of the virtual meeting of the Audit Committee held on Monday, 5 October 2020 at 5.00 pm.

County Borough Councillors - Audit Committee Members in attendance:-

Councillor G Davies	Councillor G Caple
Councillor A Cox	Councillor J Cullwick
Councillor M Adams	Councillor M Powell
Councillor M Norris	Councillor D Owen-Jones
Councillor S Rees	Councillor S Powell
Councillor R Yeo	Councillor L De Vet
Councillor J Harries	

Lay Member in attendance – Mr C Jones

Officers in attendance

Mr A Wilkins, Director of Legal Services
Mr P Griffiths, Service Director, Finance & Improvement Services
Mr M Thomas, Head of Regional Internal Audit Service
Ms L Cumpston, Group Audit Manager (Regional Internal Audit Service)
Ms S Davies, Head of Finance
Mr C Rees - Audit Wales

7 Welcome and Apology

The Chair welcomed the attendees to the virtual meeting of the Audit Committee and an apology for absence was received from County Borough Councillor K Jones.

8 Declaration of Interest

In accordance with the Council's Code of Conduct, County Borough Councillor S. Rees declared the following personal interest in respect of Item 4 - Finalised Audit Assignments 'I am on the Governing Body of YGG Aberdar'.

9 Audit Wales Verbal Update: Progress of the Audit of the Draft Statement of Accounts for 2019/20

Mr C Rees, Audit Wales, provided the Audit Committee with an update in respect of the Audit of the Draft Statement of Accounts for 2019-2020.

Members were informed that as a result of the current climate, Audit Wales and the Council's Finance Team had to adapt and work differently to previous years. Members learned that positive progress had been made in respect of the audit of the Statement of Accounts and, to date, no significant areas of concern had arisen for the Committee to be made aware of.

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

10 Internal Audit Charter 2020/21

The Head of the Regional Audit Service provided the Audit Committee with the Regional Internal Audit Service Charter for 2020/21, a report which is presented on an annual basis to ensure compliance with the Public Sector Internal Audit Standards (PSIAS).

The officer advised Members that the purpose of the Regional Internal Audit Service Charter is to define the purpose, authority and responsibilities of the Regional Internal Audit Shared Service across Bridgend, Merthyr Tydfil, Rhondda Cynon Taf and the Vale of Glamorgan Councils.

The officer continued, explaining that the Charter is split into the following sections:

- Purpose, Authority and Responsibility;
- Independence and Objectivity;
- Proficiency and Due Professional Care; and
- Quality Assurance and Improvement Programme.

Members were informed that the roles of the Audit Committee in relation to internal audit are to:

- Oversee its independence, objectivity, performance and professionalism;
- Support the effectiveness of the internal audit work process; and
- Promote the effective use of internal audit within the assurance framework.

The Lay Member was pleased to note that although the Charter applies to all four Local Authorities, the work supports the delivery of the priorities contained within the Council's Corporate Plan 2020-2024 'Making a Difference'.

One Member commented that it would be beneficial if a copy of the Internal Audit Charter were to be made available to all Elected Members for their information.

The Audit Committee **RESOLVED:**

1. To approve the Regional Internal Audit Service Charter for 2020/21 as attached as Appendix A to the report; and
2. That a copy of the Internal Audit Charter 2020/21 is made available to all Elected Members for information purposes.

11 Finalised Audit Assignments

The Audit Committee were provided with a summary of audit assignments completed between 21st January 2020 and 15th September 2020. Members were asked to consider the following Audit Assignments:

Finance & Digital Services

- General Ledger
- Treasury Management

Community & Children's Services

- Registration Services

Prosperity, Development & Frontline Services

- Street lighting

Education & Inclusion Services

- Maes y Coed Primary School
- Pengeulan Primary School
- YGG Aberdar
- Penyreglyn Community Primary School
- Ynyshir Primary School
- Trealaw Primary School
- Maesgwyn Special School
- YGG Tonyrefail
- YGG Bodringallt
- Attendance: Referrals & Intervention
- Ysgol Hen Felin

In respect of the Audit Assignment for YGG Aberdar, one Member spoke of the private school fund, which had been deemed 'insufficient and requires improvement' and requested that officers undertake a follow up. The Group Audit Manager explained that many of the assignments detailed before Members, were included in the Head of Internal Audit's Annual Report in July 2020, and as such, assurance had been given that where an insufficient evaluation was reported for primary schools, officers would follow up and request supplementary information as part of the primary schools self evaluation process. The officer added that not all areas of concern would be deemed 'insufficient', but assured the Committee that the schools would be provided with a target date to complete a check-list and would need to provide evidence that the controls were in place.

Referring to the Audit Assignment for Trealaw Primary School, one Member queried whether the checklist of non-chequebook primary schools had been carried out. The Group Audit Manager advised the Member that the review is an annual rolling process, which requires each individual school to review the standards as part of the annual self-assessment process and present their findings to its Governing Body and Internal Audit. The officer explained that the standards are looked at by Internal Audit each year to ensure the data is accurate and relevant, before sending each of the schools an updated checklist.

One Member spoke of vacancies on the Governing Body memberships, which was a continuous theme in a number of the Audit Assignments and a matter for attention across the board. The Head of the Internal Audit Service acknowledged the Member's comments, stating that it is a recurring theme, which has been noted in previous Audit Assignments and other Local Authorities.

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

Members also raised concerns in respect of the lack of evidence of safeguarding training taking place for school based staff, which was another recurring theme throughout the audit assignments. Members agreed that safeguarding training was a high priority and vital given that children had been out of school for a number of months due to the National Lockdown. The Group Audit Manager advised the Committee that many of the schools do carry out adequate safeguarding training, but fail to sufficiently evidence it, which results in the issue being identified within the Audit. The officer continued, explaining that there is a process in place, which requires schools to review their safeguarding procedures before presenting it to the Governing Body. The Service Director, Finance and Improvement Services suggested that it would be beneficial to communicate with schools that the topic of 'safeguarding' should be included on Governing Body agendas to ensure regular consideration is afforded to this key area, if this was not currently the case.

In respect of the audit assignment for 'Attendance: Referrals and Intervention', one Member spoke of the six sampled schools, whereby it was identified that during the period 1st September to 29th November 2019, there were 19,969 unauthorised absences, with 6,325 of these at one school. The Member felt that the issue should be looked into further.

Members agreed that it would be beneficial for a representative from the Council's Education Directorate to attend a future meeting of the Audit Committee in the first instance to discuss the issues of safeguarding, attendance and Governing Body vacancies and thereafter, for Audit Committee to determine whether further action is necessary.

The Chair thanked the officers for the report and the Audit Committee

RESOLVED:

1. To seek clarity and explanation where there are areas of concern;
2. To identify further action to be taken where deemed necessary; and
3. That a representative from the Council's Education Directorate attend a future meeting of the Audit Committee to discuss the issues of safeguarding, attendance and Governing Body vacancies.

12 Rhondda Cynon Taf Audit Committee Draft Workplan 2020/21

The Service Director, Finance and Improvement Services provided the Audit Committee with the report, which set out a draft work plan for the 2020/21 Municipal Year to enable the Committee to effectively fulfil its Terms of Reference and meet the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) publication 'Audit Committees – Practical Guidance Note for Local Authorities & Police, 2018 Edition'.

Members were referred to Appendix 1 of the report, where the draft work plan was set out for consideration. The Service Director informed Members that the work plan would be subject to ongoing review throughout the year and should further areas be identified and agreed by the Committee, they would be incorporated into the work plan.

The Service Director drew Members' attention to Section C and the item entitled 'Audit Committee – Development and Support', which was included within the draft work plan for the November 2020 and February 2021 committee meetings. Members were informed that the item would set out proposed actions to support the on-going development of Audit Committee's work, for example, developing a programme of learning and development and increasing the Committee's visibility on the Council's strategic risks.

The Service Director added that with regard to strategic risks, it is proposed to provide the Committee with a Strategic Risk Register update at alternate meetings, which could involve the relevant responsible officers attending the Committee to provide an overview.

One Member questioned the remit of the Audit Committee in terms of Section F of the work plan, which states '*To receive reports in relation to proposed changes to the Authority's Contract Procedure Rules and Financial Procedure Rules and where deemed appropriate, recommend their approval to Council*'. The Service Director explained that the proposed work plan aims to ensure the range of information reported to the Committee during the year will enable it to form an opinion on the Council's overall governance and internal control arrangements at year-end. In respect of Section F, the Service Director

explained that its purpose is to provide the Audit Committee with an overview of the Council's procedure rules to help aid Members understanding and ensure the Committee continues to have regard to the rules when considering reports.

One Member spoke of the damage to the Council's infrastructure as a result of 'Storm Dennis' and queried whether a review of the damage would sit within the Audit Committee's remit. The Service Director advised that the financial implications had been included within the Council's Year-End Performance Report for 2019/20 and was scrutinised in July 2020. The Service Director added that where further financial updates relating to Storm Dennis are confirmed, these will be included within Performance Reports for review by the Council's Cabinet and the Finance and Performance Scrutiny Committee, in line with its terms of reference.

Members debated whether the Cardiff Capital Region City Deal governance arrangements could be included within the workplan, at Section E. In this regard some Members noted an overlap with the work of the City Deal Joint Scrutiny Committee. A motion was then moved by a Member and seconded to include a review of governance arrangements in respect of the Cardiff Capital Region City Deal within the 2020/21 workplan for Audit Committee. Following a vote it was resolved not to include a review of governance arrangements in respect of the Cardiff Capital Region City Deal within the 2020/21 workplan for Audit Committee.

The Audit Committee **RESOLVED:**

1. To consider the report and determine whether there are other areas / themes to incorporate within the work plan to aid the effective discharge of Audit Committee's responsibilities; and
2. To approve the work plan for delivery during the 2020/21 Municipal Year.

This meeting closed at 6.40 pm

**Councillor G Davies
Chairman.**