



RHONDDA CYNON TAF COUNCIL AUDIT COMMITTEE

Minutes of the Audit Committee meeting held on Monday, 4 February 2019 at 5.00 pm at the Council Chamber, The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX.

Attendance:-

Mr R. Hull (Chair)

County Borough Councillors - Audit Committee Members in attendance:-

Councillor G Caple	Councillor A Cox
Councillor J Cullwick	Councillor M Fidler Jones
Councillor M Adams	Councillor H Boggis
Councillor R Smith	Councillor R Yeo
Councillor G Davies	Councillor M Norris
Councillor E Webster	Councillor J Elliott
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 Development Programmes
Ms G Davies, Director of Education and Inclusion Services
Mr R Evans, Director of Human Resources
Mr D Powell, Service Director, Corporate Design & Maintenance
Mr M Jones, Wales Audit Office

44 Apology for Absence

An apology for absence was received from County Borough Councillor M. Powell.

45 Declaration of Interest

In accordance with the Council's Code of Conduct, County Borough Councillor M. Fidler Jones declared the following personal interest in Agenda Item 3 – Hawthorn High School & Y Pant Comprehensive School Update – “Hawthorn High School is within my Ward”.

46 Minutes

It was **RESOLVED** to approve the minutes of the 17th December, 2018 as an accurate reflection of the meeting.

47 Matters Arising

Minute No. 40 – Risk Management Strategy Update -

At the previous meeting, Members resolved to endorse the updated Strategy and agreed for the revised document to be made available on the Council's website. The Head of Internal Audit & Procurement Development Programmes advised that the Risk Management Strategy had since been added to the Council's website under its Governance section.

Minute No. 43 – Finalised Audit Assignments -

At the previous meeting, Members raised concerns in respect of the administration of the Purchase Card at Mountain Ash Comprehensive School. The Head of Internal Audit & Procurement Development Programmes advised Members that since the meeting, Internal Audit had undertaken a follow-up review and verbally confirmed that the necessary improvements had been made. The Officer confirmed that further to the report being finalised, it will be presented to Audit Committee.

During the same meeting, Members also requested for a follow-up review of Ysgol Llanhari to be conducted in six months to determine whether sufficient progress was being made to implement recommendations. The Head of Internal Audit & Procurement Development Programmes confirmed that a review would be conducted in six months, with the findings brought back to the Audit Committee.

The Head of Internal Audit & Procurement Development Programmes advised that an update in respect of Hawthorn High School progress would be provided in the next item of the meeting agenda.

48 Hawthorn High School & Y Pant Comprehensive School Update

At the request of the Audit Committee at the meeting held on 17th December, 2018, the Director of Education & Inclusion Services and Director of Human Resources provided Members with a verbal update in respect of the concerning Audit Assignments received of Hawthorn High School and Y Pant Comprehensive School.

In respect of Hawthorn High School, the Director of Education & Inclusion Services advised the Committee that she had recently met with the Head Teacher and Chair of Governors to discuss the serious concerns outlined by Members at the previous meeting of the Audit Committee. The Director confirmed that the School had taken up the offer of additional support in order to implement the recommendations. Members were advised that a further audit would be undertaken during the week commencing 18th February, 2019 and that a letter from the Director would be sent to the School to clearly outline the actions which will be taken should there be no evidence of significant improvement.

Referring to Y Pant Comprehensive School, the Director of Education & Inclusion Services advised Members that following correspondence from the Chair of Audit Committee and a meeting with the Director, the Head Teacher had shown commitment to working with Internal Audit to address the recommendations. It was added that the Head Teacher had since requested that Internal Audit conduct a health check on the new procedures which was viewed as a positive way forward.

Members queried the measures which could be taken by the Director should substantial improvements not be made by the schools. The Director explained that if sufficient progress was not evidenced further to Internal Audit's most recent reviews, the initial step would be to submit a warning notice which would outline the concerns and at the same time offering support and guidance to ensure appropriate progress is made. Should progress fail to be made at this stage, the Director explained that the authority does have statutory powers of intervention which could be exercised if required.

Following a number of questions from Members, it was **RESOLVED**:

- To acknowledge the update from the Director of Education & Inclusion Services and Director of Human Resources; and
- That the follow up reviews in respect of Hawthorn High School and Y Pant Comprehensive School be reported back to a future meeting of the Audit Committee.

49 Public Services Network (PSN) Audit

The Data Protection & Improvement Officer provided the Audit Committee with an overview of the PSN accreditation process along with the outcome of the most recent inspection. It was explained that the PSN is a national framework set out by Central Government and is managed by the Cabinet Office PSN & Cyber Compliance Team, with a purpose to unify the network infrastructure across the public sector in a secure environment.

The Officer explained that each year the Council must undergo the PSN Accreditation process which involves a rigorous technical audit of its ICT infrastructure. Members were pleased to note that on the 22nd October, 2018, the Council received confirmation that it had successfully passed the assessment.

The Officer took the opportunity to assure Members that whilst the PSN process is an annual inspection, the security of the Council's ICT infrastructure is continuously reviewed and updated.

Following comments from the Audit Committee, it was **RESOLVED** to acknowledge the PSN accreditation process and the Council's success in achieving its annual PSN accreditation in October, 2018.

50 An Overview of Risk Management Arrangements in place in respect of 'Projects'

With the aid of a PowerPoint presentation, the Service Director, Corporate Design and Maintenance provided the Audit Committee with an overview of the Risk Management arrangements in place in relation to 'projects'.

The Audit Committee were provided with an overview of three categories of projects:

1. Major Capital Projects;
2. Minor Capital Projects; and
3. Maintenance Projects

Members were advised of potential risks for both employers and contractors,

along with the varied approach to risk depending upon the value, duration and complexity of projects.

Assurance was given to Members that all projects are set up using good governance procedures and whilst risks are managed at an operational level, key risks are reported to Project Sponsors, Project Boards, Project Steering Groups, Finance Meetings and the Senior Leadership Team as appropriate. The Service Director advised that although there is not a set amount of time spent on managing risk for each project, monthly progress meetings and site visits are held to supervise each project and manage associated risks.

Following the Service Director's presentation, discussions ensued in respect of how risks are managed, if lessons learnt exercises are undertaken and the use of local businesses.

The Chair thanked the Service Director for the informative presentation and for providing comprehensive feedback to questions raised, and it was **RESOLVED** to acknowledge the positive arrangements in place when managing risks in respect of projects.

51 Staff Survey Outcomes

The Director of Human Resources provided the Audit Committee with the outcomes of the recent staff survey that aimed to assess, amongst other things, general awareness of the Council's whistleblowing and anti-fraud arrangements.

The Director advised that the survey was conducted between November and December, 2018 whereby Human Resources staff visited various locations across the Council, and an email link was distributed to all staff with access to the Council's email facilities.

Members welcomed the feedback provided by staff, but raised concerns in respect of the low rate of staff participation and questioned whether anonymity when completing the survey could have been a determining factor should staff not have decided to complete the survey. The Director advised that anonymity was protected, staff were not required to insert any information that could be used to identify them specifically.

Members queried the outcomes of some of the questions within the survey; specifically Members requested that further work takes place to assess whether specific themes were more prevalent in particular areas of the Council than others, for example, awareness of policies that could help staff if they come across a potential whistle-blowing of anti-fraud matter.

Following discussions, it was **RESOLVED**:

- a) To receive and acknowledge the positive steps taken to assess staff awareness of the whistleblowing and anti-fraud arrangements in place; and
- b) That Officers review the detailed feedback received from the survey and use this to inform future communications and surveys with employees that could improve the arrangements further.

52 Internal Audit Performance

The Head of Internal Audit & Procurement Development Programmes presented the Internal Audit Performance for 2018/19 providing performance information in respect of the Internal Audit Service between 1st April, 2018 and 24th January, 2019.

It was reported that the Internal Audit Plan currently includes 79 individual audit assignments and, as at 24th January, 2019, 58% 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 the recommendations reported as outstanding had been implemented.

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

53 Finalised Audit Assignments

The Head of Internal Audit & Procurement Development Programmes introduced the report of the Group Director, Corporate & Frontline Services in respect of the following audit assignment completed between 5th December, 2018 and 24th January, 2019:

- General Ledger

It was **RESOLVED** to receive and acknowledge the information contained within the report.

This meeting closed at 6.30 pm

**R Hull
Chairman.**