

# AUDIT COMMITTEE

Tuesday, 22 March 2016

**PRESENT:** Councillor C.P. Higgins (Chair)

**Councillors:**

H.A.L. Evans, J.D. James, Sir D.Lewis, E.G. Thomas, G.B. Thomas, W.G. Thomas and D.E. Williams

**Also Present as an Observer:**

Councillor D.M. Jenkins – Executive Board Member for Resources;

**In attendance from the Wales Audit Office:**

R. Harries, Engagement Director and Engagement Lead;  
J. Garcia, Financial Audit Manager;

**The following Officers were in attendance:**

I. Jones, Head of Leisure;  
P. Sexton, Head of Audit, Risk and Procurement;  
O. Bowen, Interim Head of Finance;  
N. Edwards, Safeguarding & Commissioning Manager;  
H. Pugh, Audit & Risk Manager;  
A. Jones, Procurement & Contracting Officer;  
M.S. Davies, Democratic Services Officer.

**Chamber, County Hall, Carmarthen - 2.00 pm - 3.35 pm**

**1. APOLOGIES AND OTHER MATTERS**

An apology for absence was received from Councillor A.G. Morgan.

The Chair referred to the fact that Sir David Lewis was attending his last meeting as the External Voting Member, thanked him for his contribution to the Committee's work and wished him well.

Sir David thanked the Chair for his comments.

The Committee was advised that the process to appoint a new External Voting Member had already commenced and it was suggested that it might be appropriate to appoint a three-member, politically balanced, shortlisting panel should it be necessary dependant on the number of applications received.

**RESOLVED that the above suggestion be endorsed and that the Chair, Vice-Chair and a Plaid Cymru member of the Committee be appointed to serve on the shortlisting panel.**

**2. DECLARATIONS OF PERSONAL INTERESTS**

There were no declarations of personal interest.

**3. INTERNAL AUDIT PLAN UPDATE 2015/16**

The Committee considered a report providing an update on progress made on the implementation of the Internal Audit Plan 2015/16. Part A of the report provided a progress report on the Audit Plan 2015/16 and a recommendations scoring matrix, Part B provided a summary of completed final reports for 2015/16 relating to key financial systems (April 2015 to date) and Part C detailed Priority 1 Recommendations relating to reviews of other systems and

establishment audits.

The following issue was raised on the report:-

- Reference was made to the review of the cashiers system referred to at the last meeting and the Committee was advised that the Financial Procedure Rules were currently being rewritten and would include the undertaking of more frequent unannounced spot-checks on cashiers;
- In terms of the review of the leisure facilities at Pembrey Country Park and the Millennium Coastal Park which had been undertaken at the request of the Director of Communities the Committee was assured by the Head of Leisure that the weaknesses identified were being addressed and officers would be working closely with the Audit Section. This included ensuring that Corporate Financial Procedure Rules were adhered to at all times and that health and safety issues were addressed. Members were advised that an Action Plan was being prepared in respect of the issues in question and it was suggested that this could be brought to the Committee at its next meeting;

## **RESOLVED**

**3.1 that, for monitoring purposes, the 2015/16 Internal Audit Plan update be received;**

**3.2 that an Action Plan be submitted to the next meeting detailing as to how the concerns raised following the review of the leisure facilities at Pembrey Country Park and the Millennium Coastal Park would be addressed.**

## **4. INTERNAL AUDIT PLAN 2016/17 & PLANNED COVERAGE 2017/19**

The Committee considered a report providing details of the Internal Audit Plan for 2016/17 and outlining the planned coverage for 2017/19. It noted that the plans had been compiled using risk assessment principles and taking account of changes in services. It was considered that the adoption of a three year rolling programme provided assurance of the adequacy of audit coverage and allowed the flexibility to deal with changes to systems within the Authority. The Plan assumed full staffing within the Section of 9.4 FTE staff.

## **RESOLVED**

**4.1. that the Annual Internal Audit Plan for 2016/17 be approved;**

**4.2. that the planned coverage for the period 2017/19 be confirmed.**

## **5. PROGRESS REPORT - SUPPORTING PEOPLE GRANT**

Further to the meeting of the Audit Committee held on 18<sup>th</sup> December, 2015 (minute 4 refers) the Committee received for consideration a progress report on the operation of the Supporting People Action Plan. The report summarised the work undertaken to date by the Supporting People team to improve its grant and contract management processes as identified by the Audit and Risk Manager at the meeting held on 10<sup>th</sup> July, 2015. It was considered that good progress was being made and would be monitored by the Supporting People Planning Group

which was chaired by the Director of Community Services.

**RESOLVED that progress on the Supporting People Action Plan be noted.**

## **6. WALES AUDIT OFFICE REPORTS**

The Chair welcomed to the meeting Messrs. Richard Harries and Jason Garcia of the Wales Audit Office.

### **6.1. AUDIT COMMITTEE UPDATE MARCH 2016**

The Committee considered a report providing an update on the audit work undertaken on the Authority by the Wales Audit Office since the last meeting.

**RESOLVED that the report be received.**

### **6.2. CARMARTHENSHIRE COUNCIL - AUDIT PLAN 2016**

The Committee considered the draft 2016 Audit Plan for Carmarthenshire County Council. It was noted that the WAO, in line with its statutory duties, must:-

- examine and certify whether the Council's financial statements are "true and fair";
- assess whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources;
- audit and assess whether the Council has discharged duties and met requirements of the Local Government (Wales) Measure 2009; and
- undertake studies in order to make recommendations for improving economy, efficiency and effectiveness or for improving financial or other management arrangements.

The Plan detailed the proposed work to be undertaken by the WAO in auditing the Council's accounts, when the work would be undertaken, how much it would cost and who it would be undertaken by. In response to a question the WAO representatives agreed to provide further information at the next meeting in regard to fees.

**RESOLVED that the draft 2015 Audit Plan for Carmarthenshire County Council be accepted.**

### **6.3. DYFED PENSION FUND - AUDIT PLAN 2016**

The Committee considered the 2016 Audit Plan for the Dyfed Pension Fund. The WAO, in line with its obligations under the Code of Audit Practice, must examine and certify whether the Dyfed Pension Fund's accounting statements were "true and fair".

The Plan detailed the proposed work to be undertaken by the WAO in auditing the Dyfed Pension Fund accounts for the year ending 31<sup>st</sup> March, 2016, when the work would be undertaken, how much it would cost and who it would be undertaken by.

**RESOLVED that the 2016 Audit Plan for the Dyfed Pension Fund be accepted.**

## 7. CODE OF CORPORATE GOVERNANCE

The Committee considered the updated Code of Corporate Governance and the Terms of Reference for the Corporate Governance Group.

The reference within the Code to the Leader and Chief Executive *negotiating* their respective roles was questioned. In response it was stated that the wording followed that included in CIPFA and SOLACE documents which promote Good Governance Frameworks in Local Government. The general consensus of the Committee, however, was that any allusion to negotiations in this respect should be removed from the Code.

### RESOLVED

**7.1 that the updated Code of Corporate Governance be endorsed;**

**7.2 that the Terms of Reference for the Corporate Governance Group be endorsed subject to the following amendment under Principle 2 of the Schedule:**

**‘having protocols in place which ensure that the Leader and Chief Executive ~~negotiate and~~ agree their respective roles early in the relationship and which maintain a shared understanding of the roles’.**

## 8. MINUTES OF THE CORPORATE GOVERNANCE GROUP

**RESOLVED that the minutes of the meeting of the Corporate Governance Group held on the 3<sup>rd</sup> December, 2015 be received.**

## 9. MINUTES OF THE RISK MANAGEMENT STEERING GROUP

**RESOLVED that the minutes of the meeting of the Risk Management Steering Group held on the 22<sup>nd</sup> December, 2015 be received.**

## 10. MINUTES OF THE GRANTS PANEL

**RESOLVED that the minutes of the meeting of the Grants Panel held on the 6<sup>th</sup> January, 2016 be received.**

## 11. MINUTES

**RESOLVED that the minutes of the Audit Committee held on the 18<sup>th</sup> December 2015 be signed as a correct record.**

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CHAIR

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DATE