

## Audit Committee

Friday, 16 October 2020

**PRESENT:** Councillor T.M. Higgins (Chair)

**Councillors:**

K.V. Broom, K.Davies, G.H. John, A.G. Morgan, B. Thomas, D.E. Williams and J. James

**Also present as an observer:**

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

**In attendance from Audit Wales:**

Mr J. Garcia

**The following Officers were in attendance:**

C. Moore, Director of Corporate Services

R. Hemingway, Head of Financial Services

H. Pugh, Head of Revenues and Financial Compliance

C. Powell, Principal Auditor

C. Daniels, Senior Sports and Leisure Manager

A. Eynon, Principal Translator

J. Corner, Technical Officer

M. Evans Thomas, Principal Democratic Services Officer

K. Thomas, Democratic Services Officer

E. Bryer, Democratic Services Officer

**Virtual Meeting - . - 10.00 - 11.23 am**

**1. APOLOGIES FOR ABSENCE.**

An apology for absence was received from Councillor B.A.L. Roberts.

**2. DECLARATIONS OF PERSONAL INTERESTS.**

There were no declarations of personal interest.

**3. DYFED PENSION FUND STATEMENT OF ACCOUNTS**

**3.1. DYFED PENSION FUND AUDIT OF FINANCIAL STATEMENT REPORT**

The Committee received for consideration the report of Audit Wales on the audit undertaken of the Dyfed Pension Fund Accounts which considered whether the financial statement gave a true and fair view of the financial position of the Dyfed Pension Fund at 31<sup>st</sup> March, 2020 and its income and expenditure during that year.

The Committee was advised that whilst Audit Wales intended to issue an unqualified audit report on the accounts, there were some issues which needed to be reported to the Committee prior to their approval, details of which were included in the report.

The Committee was pleased to note that Audit Wales intended to issue an unqualified audit opinion on the accounts which would be issued as soon as the Letter of Representation had been provided. The Committee was also pleased to note that there were no misstatements identified in the financial statements which remained uncorrected.

**UNANIMOUSLY RESOLVED that the report be received.**

### **3.2. LETTER OF REPRESENTATION TO AUDIT WALES DYFED PENSION FUND**

The Committee was advised that in accordance with the Statement of Auditing Standards (SAS440 – Management Representations) Audit Wales required a Letter of Representation to be prepared on an annual basis by the Director of Corporate Services and signed by the aforesaid Officer and the Chair of the Audit Committee. In addition, Audit Wales required the Committee responsible for approving the accounts under Regulation 8 of the Accounts and Audit Regulations to formally acknowledge the response.

**UNANIMOUSLY RESOLVED that the Letter of Representation to the Wales Audit Office from the Director of Corporate Services and the Chair of the Audit Committee to Audit Wales in relation to the Dyfed Pension Fund be acknowledged.**

### **3.3. AUDIT ENQUIRIES TO THOSE CHARGED WITH GOVERNANCE AND MANAGEMENT**

The Committee received the Authority's responses to Audit Wales on a number of governance areas that impacted on the audit of the financial statements. Those considerations were relevant to both the Dyfed Pension Fund's management and 'those charged with governance' (the Audit Committee). The information provided informed Audit Wales' understanding of the Dyfed Pension Fund and its business processes and supported its work in providing an audit opinion on the 2019-20 financial statements.

**UNANIMOUSLY RESOLVED to approve the responses to the requests made of both management and the Audit Committee as detailed in the report.**

### **3.4. DYFED PENSION FUND STATEMENT OF ACCOUNTS 2019-2020**

In accordance with the provisions of the Accounts and Audit (Wales) Regulations 2014, the Committee received for approval the post-audit Statement of Accounts 2019/20 in respect of the Dyfed Pension Fund. The Statement brought together all the financial transactions of the Pension Fund for the year, and detailed its assets and liabilities as at 31<sup>st</sup> March, 2020.

**UNANIMOUSLY RESOLVED that the Statement of Accounts 2019/20 for the Dyfed Pension Fund post audit be approved.**

#### **4. INTERNAL AUDIT PLAN 2020/21 UPDATE**

The Committee considered a progress report on the implementation of the 2020/21 Audit Plan

**UNANIMOUSLY RESOLVED that the 2020/21 Internal Audit Plan update report be received.**

#### **5. AUDIT COMMITTEE FORWARD WORK PROGRAMME**

The Committee considered an update on the implementation of the Committee's Annual Forward Work Programme detailing the expected Agenda Items for the 2020/21 Audit Committee Cycle.

The Head of Revenues and Financial Compliance advised that arrangements were being made for the Committee to receive training on Local Authority Trading companies during December 2020.

**UNANIMOUSLY RESOLVED that the update report on the 2020/21 Audit Committee Forward Work Programme be received.**

#### **6. PROGRESS REPORTS**

##### **6.1. PEMBREY SKI CENTRE**

The Committee was reminded that at its meeting held on the 30<sup>th</sup> September, 2019 it had considered a report on the operation of the Pembrey Ski Centre and requested that it be presented with a six month update. As the Committee's March 2020 meeting had been cancelled due to Covid 19, a follow up report was received providing an update on the position as at October 2020

The Head of Revenues and Compliance stated that whilst the report before the Committee provided an assurance that all of the Actions detailed therein had been addressed, it was her recommendation that should the Committee be minded to receive the report, the Pembrey Ski Centre be also be included within the 2021/22 Audit Plan

##### **UNANIMOUSLY RESOLVED**

**6.1 that the Pembrey Ski Centre update report be received.**

**6.2 That the Pembrey Ski Centre be included within the 2021/22 Audit Plan**

##### **6.2. LLANELLI LEISURE CENTRE**

The Committee, in accordance with the decision made at its meeting on the 1<sup>st</sup> July, 2019 received an update report on Llanelli Leisure Centre that provided a summary of the agreed work and processes undertaken to date by the Centre's Management Team to improve its processes following the 2018/19 Internal Audit report undertaken in January 2019 and the 2019/20 report undertaken in March 2020

In response to a question on the introduction of one further IT enhancement system being in the build phase, the Senior Sports and Leisure Manager advised that whilst the build phase was complete the required data in relation to staff hours/ work rota's etc would be inputted to the system when leisure staff, who were currently dispersed to other leisure centres/ duties due to Covid 19, returned to their designated centres. He also confirmed that, due to the length of time staff had been relocated and assigned to other duties, they would, on return to their designated centres, receive refresher training courses and training on any new systems introduced.

The Committee having considered the report and assurances provided on the progress being achieved at the Llanelli Leisure Centre considered that, as with item 6.1 above, the centre be included within the 2021/22 Audit Plan

#### **UNANIMOUSLY RESOLVED**

**6.2.1 that the Llanelli Leisure Centre progress update report be received.**

**6.2.2 That the Llanelli Leisure Centre be included within the 2021/22 Audit Plan**

### **7. ANTI-FRAUD AND ANTI-CORRUPTION STRATEGY**

The Committee received a proposed update to the Council's Anti-Fraud and Anti-Corruption Strategy which had been produced in accordance with good Corporate Governance requirements for the Authority to clearly demonstrate its commitment to dealing with fraud and corruption and would deal equally with perpetrators both within and outside the Council. It was noted that the Strategy was closely linked to current Council policies providing staff with guidance on the prevention and reporting of fraud and corruption

In response to a question on the reporting of fraud and corruption investigations, the Head of Revenues and Financial Compliance advised that whilst there was no formal reporting procedure currently in place, it was intended those details would be included within an Annual Fraud and Corruption Report to be submitted to the Audit Committee.

The Committee was also advised that training sessions on Fraud and Corruption were being arranged for elected members and senior officers together with consideration on how the policy and awareness thereof would be cascaded to staff. That would include placing the Strategy on the Council's intranet set and possibly via an e-learning module for staff

**UNANIMOUSLY RESOLVED that the Anti-Fraud and Anti-Corruption Strategy be endorsed.**

### **8. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON THE 11TH SEPTEMBER, 2020.**

**UNANIMOUSLY RESOLVED that the minutes of the meeting of the Audit Committee held on the 11<sup>th</sup> September, 2020 be signed as a correct record.**

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**CHAIR**

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**DATE**