

Minutes



Audit Committee

Date: 24 March 2016

Time: 5.00 pm

Present: Mr J Baker (Chair), J Guy, R White, R Mogford, D Davies, M Spencer, E Garland and R Jeavons

In Attendance: A Wathan (Chief Internal Auditor) O James (Assistant Head of Finance Accountancy), M Dickie (Business Service Development Manager) A Veale (WAO) and J Ellams (Scrutiny Support and Research Officer).

Apologies: Councillors E Townsend

1 Thanks

The Chairman thanked J Ellams, Scrutiny Support and Research Officer, for the support she had given Audit Committee over the last four years and wished her all the best for the future.

2 Minutes of the Last Meeting - 28 January 2016

The Minutes of the meeting held on 28 January 2016 were submitted.

Agreed

That the Minutes of the meeting held on 28 January 2016 be confirmed

3 Audit Plan 2016

Members considered the Audit Plan 2016, a document which set out proposed WAO work, when it would be undertaken, how much it would cost and who would undertake the work.

Members requested more information regarding one of the financial audit risks identified, relating to the anticipated receipt from the sale of Friars Walk shopping centre. A Veale, Engagement Director WAO, explained that an accurate valuation was necessary to ensure that adequate provision had been made. This was a substantial figure so assurances were required.

Members asked what steps had been taken to incorporate the financial transactions of Newport Transport. They were advised that work had been undertaken to clarify the process and further work was planned later in the year.

Over the last year, Audit Committee had been given regular assurances that there had been improvements in the working papers and as a result there was an expectation that the fee would come down. Members were advised that this was a fee estimate and if all elements

were not used, then a refund would be made. Also if unexpected problems arose, there could be a need for additional work and this would result in an increase to the fee.

Members were reminded of the table discussed at the November meeting and the proposed treatment of Norse and Newport Live. Anthony Veale confirmed he was comfortable with the way companies were being dealt with at the current time.

Agreed

That the report be noted.

4 WAO Certification of Grants and Returns

Members considered a WAO report on the Certification of Grants and Returns 2014 -15. The Auditor General had completed the audit work and concluded that the Council had adequate arrangements in place for the production and submission of its 2014-15 grant claims.

Members asked why 3 out of 18 claims were submitted late? Submission dates rarely changed and deadlines were clearly set out well in advance. Owen James, Assistant Head of Finance explained that the reasons were listed in the report and included one case where the delay was jointly agreed and another where the claim was lost in the post. A post had been assigned responsibility of carrying out a Central Grants Co-ordinator duty and she was responsible for coordinating the grants collection and ensuring deadlines were met. Work would continue with the Coordinator to continue to make improvements to the process. Members asked how our performance compared to other authorities and were advised that WAO were in the process of preparing comparative performance data.

Agreed

That the report be noted.

5 Corporate Risk Register

Members considered the latest update on the Corporate Risk Register. There were seven risks identified in the register, one high risk, five medium risks and one low risk. Since the last update all risks remained unchanged.

Members were advised that changes to the risk tolerance matrix were proposed to ensure that any risks with a score of 4 were assessed as low. The proposed new matrix would be used in future reports. None of the seven risks in the report were scored as 4 so there was no effect of the change on the current risks included in the register.

Agreed

That the contents of the Corporate Risk Register be noted.

6 Regulatory Reports

Members considered an update on the regulatory reports that had been received by the Authority from the main regulators, Wales Audit Office, Care and Social Services Inspectorate Wales (CSSIW) and Estyn and the arrangements to follow up on any recommendations made.

New information contained within the report consisted of:

- WAO Certificate of Compliance, Annual Review of Performance 14/15. A certificate was issued to confirm that the authority had complied with the requirements of the

Local Government Measure 2009 with regards to its Assessment of Performance 14/15.

- WAO Data Quality Review, An assessment of the accuracy of the performance data produced by the authority.
- CSSIW Performance Evaluation Report 14/15 and action plan considered by a joint committee of Community Planning and Development Scrutiny and Learning, Caring and Leisure Scrutiny on 2 December 2015.

The report also listed the WAO Work Programme 15/16, both Local Studies and National studies.

The Chairman asked if there was anything in the report that Audit Committee should be concerned about and was advised by the Project Manager that he was not aware of anything.

Agreed

1. That the contents of the report be noted.
2. That a further update be submitted in September 2016.

7 Annual Governance Statement

Members considered the first draft of the Annual Governance Statement 2015/16. This gave them the opportunity to comment early in the process and to contribute to the final Statement. Members were advised that this was a very early draft and it contained a number of errors still to be corrected.

Members raised a number of points:

- Why was the financial summary in the report incomplete? The Chief Internal Auditor explained that there were no financial issues contained within the report.
- Members were given an example of where money-laundering could be an issue and the implications. The anti-fraud and corruption arrangements were already in place.
- Members agreed that this was a good “first draft” and that it would be useful to look at a similar document produced by central government where there were more requirements for certain information eg whistle blowing.
- How did WAO staff rate the Newport Statement in comparison to other authorities? Members were advised that it stood well but it was important that it did not become too long a document.

Agreed

That progress on delivery of the Annual Governance Statement be noted.

8 SO24 / Waiving of Contract SO's: Quarterly report reviewing Cabinet / CM urgent decisions or waiving Contract SO's (Quarter 3, October to December 2015)

Members were advised that no decisions were taken using Standing Order 24/Waiving of Contract Standing Orders during the period 1 October 2015 to 31 December 2015.

9 **Member Development Self Evaluation Exercise**

The Chief Internal Auditor circulated a paper in response to the self evaluation exercise and questionnaire responses from June 2015. The paper would also be circulated to Members electronically so that hyperlinks contained within the document could be viewed. The original questionnaire contained 46 questions and 15 of these required further information.

The paper provided links to the Constitution and the Committee's Terms of Reference, the report establishing Audit Committee, the Anti-Fraud and Corruption Policy and the contact details for the Chief Internal Auditor and Wales Audit Office. Some issues were still outstanding and an update on these would be provided to a future meeting.

Members requested ongoing training in addition to the induction training given at the start of their term. This was an area where it took time to gain the necessary knowledge and required long term commitment from Members.

Members were interested in regular training sessions for short periods during the meeting rather than training days. Also a "crib sheet" of acronyms would be useful when reading reports.

Agreed

That the information circulated be noted.

10 **Work Programme**

Re Member Development and the Self Evaluation Exercise, an update would be given on the outstanding issues to a future meeting.

Agreed

That subject to the above, the Work Programme be noted.

11 **Referrals to Audit Committee**

No referrals were made.

12 **Date of Next Meeting - 26 May 2016**

The date of the next meeting was confirmed as 26 May 2016