

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE  
HELD IN MEETING ROOM 1, GUILDHALL ON THURSDAY, 23 MARCH 2017**

**MEMBERS**

Independent Lay Member Jerry O’Keeffe, Chair

Councillor Mike Edwards, Vice-Chair

Councillor	William Baldwin	Councillor	D J Griffiths
“	* Terry Boland	“	* P Jeffares
“	Mrs Dana Davies	“	Lloyd Kenyon
“	R J Dutton OBE	“	Colin Powell
“	T Alan Edwards	“	Steve Wilson
“	Anne Evans		

\*Absent

**57 APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillors Terry Boland and P Jeffares.

**58 WELCOME**

The Chair welcomed the following Wales Audit Office representatives to the meeting: Derwyn Owen (Engagement Director), Matthew Edwards (Financial Audit Manager), Sharon Jeffries (Financial Team Leader) and Charlotte Owen (Performance Project Officer).

**59 DECLARATIONS OF PERSONAL INTERESTS, IF ANY**

There were no declarations of personal interest.

**60 CONFIRMATION OF MINUTES**

The Minutes of the meeting of the Audit Committee held on 23 February 2017 were submitted.

Correction to Minutes

Item 56 Additional Item of Business – Environment Enforcement Services in Wrexham: A Member commented that the Committee had not formally supported the Chair in submitting a Topic Request Form to the Scrutiny Chairs/Vice Chairs Co-ordinating Group. A debate had taken place at the end of the previous meeting, however, no formal resolution had been made or voted upon.

During discussion, it was agreed that the Minute did adequately reflect the discussion that had taken place at the meeting. It was further suggested that, for the avoidance of doubt, a vote be taken at this meeting to endorse the action taken by the Chair and that the resolution should be recorded as a decision. Therefore, it

was proposed, duly seconded and upon being put to the vote **RESOLVED** – That the Chair of the Audit Committee, in accordance with the Audit and Scrutiny Protocol, submits a Topic Request Form to the Scrutiny Chairs/Vice Chairs Co-ordinating Group that this matter be considered by the relevant Scrutiny Committee.

**RESOLVED** – That, subject to the above, the Minutes of the Audit Committee held on 23 February 2017 be received and approved as a correct record.

**61**     **WORK PROGRAMME JUNE - DECEMBER 2017**

The Head of Finance submitted an updated Work Programme.

**RESOLVED** – That the Work Programme be noted.

**62**     **INTERNAL AUDIT CHARTER 2017/18**

The Head of Finance submitted a report (HF/29/17) which sought approval for the Wrexham Internal Audit Charter for 2017/18. A copy of the Internal Charter for 2017/18 was attached to the report.

The Service Manager, Audit and Technical, introduced the report and advised Members that Wrexham Internal Audit Service's (WIAS) Internal Audit Charter had been prepared in accordance with the framework provided by the Public Sector Internal Audit Standards (PSIAS). The Charter had been amended to include the recommendations from the 2016 external review of Internal Audit. The Charter also included the Internal Audit Plan for 2017/18 (Charter, Appendix 1) which detailed and prioritised the planned audit assignments to be undertaken during the year and linked each audit to the Council Plan. The Charter also included a reserve list of other high and medium term audit assignments (Charter, Appendix 2) that could be undertaken if there was any remaining resource available once the critical work identified in Appendix 1 has been completed.

During consideration of the report the following matters were raised in particular:

- It was noted that the Audit Plan included a high level of contingency for unplanned work to reflect the need to respond to changing priorities.
- A risk based approach will be used in prioritising audit assignments, however, planned audits not completed during 2016/17 will be given priority in the first instance.
- The Service Manager, Audit and Technical confirmed that he would have adequate resources to undertake sufficient work on each audit to provide his annual opinion for 2017/18 to the Audit Committee as to the adequacy and effectiveness of WCBC's internal control environment.
- The Head of Finance would adjudicate over any differences between the Nolan principles of Public Life and the professional standards adopted by the Chartered Institute of Public Finance and Accountancy and the Chartered Institute of

Internal Auditors.

- The Audit Committee will receive regular update reports of progress against the Audit Plan as part of Internal Audit's ongoing Interim Reports.

**RESOLVED – That the Internal Audit Charter 2017/18 be approved.**

## 63 ANNUAL GOVERNANCE STATEMENT

The Head of Finance submitted a report (HF/30/17) which informed the Audit Committee of reported progress on the Annual Governance Statement 2016 (AGS) Action Plan for Wrexham County Borough Council up to 31 December 2016 and to update the Committee on the production of the 2017 AGS. A copy of the Action Plan for implementation in 2016/17 was attached at Appendix A to the report.

The Audit Lead (David Stewart), introduced the report and reminded Members that both the AGS and the Action Plan had been agreed by the Audit Committee at its meeting held on 2 June 2016. Progress on the actions contained in the Action Plan have been monitored during the year by officers and five of the actions were shown as being delayed. Reasons for the delays have been provided or the action has since been completed and none of the delays were currently considered to be critical to the governance of the Council. Also, work was progressing on the production of the 2017 AGS in accordance with the new guidance issued to Welsh local authorities in November 2016. In contrast to the previous guidance, provided that key principles were met, the AGS will no longer need to follow a particular format. Therefore, it was intended to produce the 2017 AGS in a more 'reader-friendly' style and format. Members were requested to consider any changes to the format of the AGS which could improve its presentation. Members were also asked to consider any issues that may need to be included in the 2017 AGS.

During consideration of the report the following matters were raised in particular:

- Ref. 3 Asset Management - The Head of Finance confirmed that discussions had been held on the procurement and implementation of a specialist asset management system. A specialist assets management system would be considered as part of the current applications review..
- Ref.13 Information Management – Continue to prepare for new Data Protection Standards (EU General Data Protection) Regulations: The Head of Finance reported that, due to initial difficulties, the Council had postponed the implementation of the NHS All Wales Online Learning Module for staff training. It is anticipated that training modules will be available via the Council's eLearning site shortly.
- Ref.16 Risk Management – It was confirmed that the Risk Management Group continued to challenge individual departments on the contents of their risk registers based on comparison with other risk registers and service plans.
- With reference to School Governance (Ref 18) and to Service Continuity Plans

for Schools (Ref 20), the Head of Finance confirmed that 61 of the 63 school governing bodies had now submitted completed Governance Assurance Declarations and 30 schools have returned a copy of their Service Continuity Plan. Members noted that maintaining an up-to-date Service Continuity Plan in schools would be a long-term action and requested they be kept informed of progress.

**RESOLVED – That the report be noted.**

**64 WALES AUDIT OFFICE - SAVINGS PLANNING 2016/17**

The Head of Finance submitted a report (HF/32/17) which provided Members with a copy of the Wales Audit Office Savings Planning Report 2016/17.

Charlotte Owen (Performance Project Officer) Wales Audit Office introduced the report and commented that the 2016/17 review had concluded that the Council continues to have an effective savings planning approach supporting future financial resilience, but that it did not regularly report progress against savings to Members. To increase transparency, it was proposed that financial monitoring arrangements be strengthened by including progress against planned savings in budget monitoring and control reports.

Members then considered the report and raised the following matters in particular:

- The potential role of scrutiny committees in evaluating the impact of budget underspends on service provision.
- Many of the savings identified within the Council's Reshaping Programme were partially based on optimising opportunities for the greater use of information technology to deliver services more efficiently. This would be dependent on the Council having an adequate ICT infrastructure in place and there would be a need to increase public awareness to access more services on-line.
- Charlotte Owen commented that an audit on the adequacy of the Council's ICT provision was not undertaken as part of the review.
- The Head of Finance reported that the WAO had sampled three savings proposals for 2016/17 to test the underlying assumptions and in each case it was found that the options appraisals were underpinned by reasonable assumptions. Also, within the Council's 2017/18 budget, both the IT Development and Customer Access Reserves have been increased to fund various IT enhancements and Self Service ICT developments.

**RESOLVED – That the Wales Audit Office Savings Planning report be noted.**

**65 WALES AUDIT OFFICE PLAN 2017**

The Head of Finance submitted a report (HF/31/17) which provided Members with a copy of the Wales Audit Office Audit Plan 2017.

Derwyn Owen (Engagement Director), Wales Audit Office, introduced the report and informed Members that the planned programme of work was based on their assessment of the financial and operational risks facing the Council and included financial and performance work. The Council was also one of only two pilot sites in Wales to test the feasibility of a new 'outcomes' approach for the certification of claims and returns for Welsh Government grants during the 2015/16 financial year. Several lessons had been learnt during the year and an extended pilot scheme to include two further Welsh Councils would be undertaken for 2016/17.

During discussion of the Audit Plan, Members sought further clarification on the following matters:

- Page 19 Teachers' Pension Return 2015-16: A number of changes had been made to the return.
- Page 21 Local Projects: This was follow up work arising from the Corporate Assessment, the fieldwork had now been completed and a draft report was expected to be issued in the near future.
- With reference to the estimated audit fees, Derwyn Owen explained that the marginal increase of £105 compared to the fee set out in the 2016 audit plan, reflected the good quality of the accounts received from the Council.

**RESOLVED – That the Wales Audit Office Audit Plan 2017 be noted.**

Independent Lay Member Jerry O'Keeffe  
Chair