

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE  
HELD IN MEETING ROOM 1, GUILDHALL ON THURSDAY, 28 SEPTEMBER 2017**

**MEMBERS**

Independent Lay Member Jerry O'Keeffe, Chair  
Councillor Dana Davies, Vice-Chair

Councillor	* Andrew Atkinson	Councillor	John McCusker
"	Trevor Bates	"	Paul Roberts
"	Sonia Benbow-Jones	"	Rondo Roberts
"	D J Griffiths	"	Robert Walsh
"	Marc Jones	"	Nigel Williams
"	Paul Jones		

\*Absent

Also Present – Councillor Graham Rogers.

**27 APOLOGIES FOR ABSENCE**

An apology for absence was submitted on behalf of Councillor Andrew Atkinson.

**28 WELCOME**

The Chair welcomed Matthew Edwards, Financial Audit Manager, Wales Audit Office, to the meeting.

**29 CONFIRMATION OF MINUTES**

The Minutes of the meeting held on 27 July 2017 were submitted.

**RESOLVED – That the Minutes of the meeting held on 27 July 2017 be signed as a correct record.**

Matters Arising:

Item 23 Statement of Accounts – Long Term Debtors: The Head of Finance provided further information on the amount and expiry dates of the approved loans to the three named voluntary bodies.

Item 26 Internal Audit – Annual Counter Fraud Report 2016/17: Matthew Edwards, Wales Audit Office, confirmed that the Auditor General for Wales would not be providing information on the cost of fraud to the public purse at this time.

**30 WORK PROGRAMME**

The Head of Finance submitted an updated Work Programme. Matthew Edwards reported that three WAO reports, including the Annual Performance Report and the Scrutiny Fit for Future follow up report, would be available for submission to the May 2018 meeting.

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

31

**INTERNAL AUDIT INTERIM REPORT - APRIL TO AUGUST 2017**

The Head of Finance submitted a report (HF/86/17) which enabled consideration to be given to the Service Manager, Audit and Technical, Interim Report for April 2016 - August 2017.

The Audit Lead (Mike Sheehan) introduced the report and drew attention to the main findings of the audit work undertaken during this period. Sixteen audits, split between planned / unplanned work, had been completed during the reporting period, two of which had been given 'Red/Amber' levels of assurance. The Executive Summaries from these audits were shown in Appendix 2 to the report. The report also contained details of the transfer of the Corporate Health and Safety (CH&S) service to the Finance Department and explained how conflicts of interest in audit reporting matters would be managed.

During discussion of the report Members raised the following matters in particular:

- Further information was provided for the cancellation of the audit in relation to the Prison Pathway Project. The Audit Lead commented that the perceived risks identified by the Council's Strategic Leadership Team and the Head of Housing and Economy during the preparation stage of the construction of the prison had not materialised on it becoming operational, therefore an audit was no longer required.
- With reference to the Counter-fraud work undertaken, the Audit Lead (David Stewart) confirmed that one of the four cases 'closed' with non-compliance proved but not fraud, related to schools.
- The Audit Lead (David Stewart) confirmed that the priority order for the commencement of the three cross-cutting audits identified within the Education Department (17/016, 17/017 and 17/018) is dependent on the risks identified.
- Several Members expressed concern on the comments expressed by the Service Manager – Audit and Technical, as set out in paragraphs 7.3, 7.4 and 76.5 of the WAIS Summary Report, stating that, in his professional opinion, that proposed budget savings to the Internal Audit section for 2018/19 and 2019/20 would reduce his ability to provide a comprehensive assurance as to the Council's internal governance control and would adversely impact on the Council's ability to meet its statutory obligations. Members sought an assurance that this would not occur. In response, the Head of Finance commented that all proposed budget savings were risk assessed to consider the impact on council services.

**RESOLVED –**

- (i) **That the report be noted.**
- (ii) **That the Audit Committee recognises the concerns of the Service Manager, Audit and Technical as set out in paragraph 7.3. If there was a proposal to further reduce the budget for Internal Audit Services during the 2018/19 Budget Setting Process, Audit Committee Members**

**would pay particular attention to the Risk Assessment associated with the proposed saving.**

**32 RISK REGISTER HIGHLIGHTS REPORT**

The Head of Finance submitted a report which informed the Committee of the Council's risks and how they are managed.

The Audit Lead (David Stewart) introduced the report and reminded Members that the Council's Risk Management Policy required the Council to have formal arrangements in place for managing risks. Risk and Control Registers were kept for the Council's principal risks, all departments, major projects and significant partnerships. Extracts from these Risk and Control Registers as at 6 September 2017 were attached at Appendices B – F of the report.

During consideration of the report Members raised the following matters:

- Risks associated with the Adult Social Care Reshaping Business Plan for 2016/17 (Ref ASC 113) not being achieved and whether the mitigation measure in place would be adequate. It was suggested that this matter be drawn to the attention of the relevant Scrutiny Committee.
- Further information was requested on whether ICF funding had been obtained to ensure that specified services and statutory obligations would continue to be delivered (Ref CSC005).
- The Audit Lead reminded Members that, in addition to routinely reviewing their risk and control registers, Heads of Department were required to provide an updated register every six months. The most recent update of the Adult Social Care Department register had been undertaken in April 2017 and Children's Social Care in February 2017, therefore, updated information from both departments was due shortly.
- Whether E-Learning Modules could be used to raise employee awareness of the Council's Safeguarding statutory responsibilities, policies and requirements (Ref CSC025).
- The effectiveness of the mitigation work undertaken with GwE to ensure schools have more rigorous and robust mechanisms in place for tracking pupil performance and setting targets improvements (Ref ED002).
- The Head of Finance responded that one of the recommendations following the recent external audit of GwE referred to value-for-money of the service provided. Both the Lifelong Learning Scrutiny Committee and the Education Department monitored the effectiveness of work undertaken by GwE.

**RESOLVED –**

- (i) That the contents of the Risk and Control Register extracts as set out in report HF/87/17 be noted.**
- (ii) That the Chair of the Audit Committee takes forward the Committee's concerns with regard to Adult Social Services to the appropriate Scrutiny Committee in accordance with the Audit Scrutiny Protocol.**

**WALES AUDIT OFFICE - AUDIT COMMITTEE UPDATE**

The Head of Finance submitted a report (HF/96/17) which provided Members with an update on current and planned Wales Audit Office work.

Matthew Edwards, Wales Audit Office, introduced the report and gave a brief summary of the financial and performance audit work recently completed or underway within the Council together with information on national reports relevant to Local Government. The Appointed Auditor had issued an unqualified opinion on the Council's 2016/17 financial statements on 3 August 2017, nearly two months earlier than the statutory deadline. Also, the Council was participating, for the second year, in the 'outcomes pilot' on Welsh Government grants for the 2016/17 financial year.

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

- In response to a Member question, further information was provided on the findings following the first year of the outcomes pilot study on Welsh Government grants.
- With reference to performance audit work, clarification was sought on the opportunity for input by Council housing tenants into the WAO Service User Perspective review of user experience of council services, with particular focus on the Wales Housing Quality Standards (WHQS) programme. Matthew Edwards agreed to provide Members with more details of the scope of the review following the meeting.

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

**URGENT ITEM OF BUSINESS: FREEDOM OF INFORMATION REQUEST**

The Chair referred to a letter that he, and the Chief Executive, had received regarding a request for an internal review of the Council's handling of a Freedom of Information request relating to 'Fixed wire installation checks' at Wrexham Council buildings. The correspondent was of the opinion that the initial responses given to him had not reflected the level of information he had requested in the questions submitted.

The Head of Finance commented that an internal review had been held and had concluded that the submitted answers to three of the six questions had not provided sufficient information. Further information had been supplied and the correspondent advised that, if he still was not satisfied with the outcome, he could take the issue to the Information Commissioner.

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

Independent Lay Member Jerry O'Keeffe  
Chair