

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

48 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Terry Boland, T Alan Edwards and Pat Jeffares.

49 DECLARATIONS OF PERSONAL INTERESTS, IF ANY

There were no declarations of personal interest.

50 CONFIRMATION OF MINUTES

The Minutes of the meeting of the Audit Committee held on 15 December 2016 were submitted.

RESOLVED – That the Minutes of the Audit Committee held on 15 December 2016 be received and approved as a correct record.

Matters Arising

Item 41- Internal Audit Report April 2016 – November 2016: Audit 2016/033 Nursery:
The Director of Social Services had e-mailed additional information to Members of the Committee and had provided assurance that appropriate safeguarding arrangements were in place.

Item 47 – Additional Item of Business – Safeguarding Children: The Chair reported that he had met with the Director of Social Services and had been given an assurance that internal safeguarding measures and controls were in place to mitigate the risk of abuse to vulnerable children participating in such events..

51 AUDIT COMMITTEE WORK PROGRAMME: MARCH - JULY 2017

The Head of Finance submitted an updated Work Programme.

In response to Members' comments on the importance of providing training for new Members on audit matters following the Local Government elections in May 2017, the Head of Finance confirmed that All-Member training workshops on 'Governance' and 'Risk Management' together with specific training for Members of the Audit Committee on 'Financial Statements' have been arranged as part of the Member Induction Programme. In addition, short training sessions will continue to be held prior to the Audit Committee meetings.

RESOLVED – That the Work Programme be noted.

52

INTERNAL AUDIT INTERIM REPORT APRIL 2016 - JANUARY 2017

The Head of Finance submitted a report (HF/20/17) which enabled consideration to be given to the Service Manager, Audit and Technical, Interim Report for April 2016 - January 2017.

The Audit Lead (Mike Sheehan) introduced the report and commented that 13 audits, split between planned / unplanned work, had been completed during the reporting period. The level of support from Heads of Departments continued to be strong and no resistance has been encountered from staff in relation to the audits undertaken or recommendations made. The report also outlined the current status of the Audit Plan 2016-17 and counter-fraud work undertaken.

The 1st Follow up audit of Corporate Health and Safety (2016/707) still had a Red/Amber level of assurance and in accordance with the Audit Charter, this had been brought to the attention of the Chair of the Audit Committee. The Chair had decided that the Head of Environment and Planning be requested to attend the meeting to explain to Members the reasons for the recommendations not being implemented.

The Head of Environment and Planning was in attendance and reported that a number of audits had been undertaken by Internal Audit following the merger of the two departments and this merger had had an impact on officer time and resources. Work was on-going and improvements being made to ensure that all Health and Safety inspection regimes were being reviewed at a corporate level. A Corporate Inspection Policy was also being introduced, containing agreed formats, processes and timescales to conduct inspections, to ensure that the same standards were being applied throughout the Council. However, this was a continuous process and more work was required to ensure that effective inspection regimes to mitigate and minimise the significant risk areas identified in the review undertaken by Zurich Municipal in 2014 were in place.

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

- Clarification of the terms 'deferred' and 'outstanding' audits.
- With reference to the current position of the Audit Plan 2016/17 (Table 2), the Service Manager, Audit and Technical, commented that amendments to the 2016/17 Audit Plan had been made to reflect changes in available audit staff resources. Priority will be given to undertaking those 'outstanding' planned audits where the risk levels were deemed highest following consultation with

Heads of Department and service managers. Planned audits not completed during 2016/17 will be given priority when determining the 2017/18 Audit Plan.

- Audit Ref 16/004: Residential Care (Adult Social Care). Additional information was requested on the outcome of this audit. The Audit Lead confirmed that this audit had been given a Green/Amber level of assurance as adequate controls were in place, however, there was a lack of consistency among service providers on the approach taken to the pre-placement process and payment of 'top-up' fees for additional services.
- The Service Manager responsible for insurance advised that the Council had both Public Liability and Employers Liability insurance policies in place and that for a claim to succeed, the claimant would need to prove that the Council was legally liable and had been negligent.

RESOLVED – That the report be noted.

53

AUDIT COMMITTEE - EVALUATION OF EFFECTIVENESS SURVEY 2017

The Head of Finance submitted a report (HF/19/17) which enabled consideration to be given to the results of the Audit Committee – Evaluation of Effectiveness survey 2017.

In introducing the report the Chair expressed disappointment on the response rate to the survey 21 (30.43%) from a total of 69 potential respondents, although this was an improvement on the previous year (25%). Also, only 3 non-Audit Committee Members had responded to the survey despite this matter being specifically raised when the Audit Committee Annual Report was presented to Council in September 2016.

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

- There was a general consensus on the continued need to raise both Member and public awareness of the role performed by the Audit Committee in ensuring the effectiveness of the Council's corporate governance framework.
- Members referred to the use of all-Member training sessions, e-learning, Audit Bulletins and social media to increase Member/public awareness. A basket of methods would be the best way to do this.
- With reference to increased use of social media and the internet, it was noted that a press release was issued in advance of every Audit Committee, and the Audit Bulletin which provided information on the roles and function of the Committee was available on the Council website and the Audit Committee SAM page.
- The report included an analysis of those responses that disagreed with individual questions and this would be very helpful in suggesting areas where the 2017/18 Development Programme could focus.
- Clarification was sought on the number and designation of the officers invited to take part in the survey.
- The Chair commented that the introduction of the Audit and Scrutiny Protocol has been effective in strengthening the relationship and defining the different roles and responsibilities of the Audit Committee and Scrutiny Committees.

RESOLVED – That the results of the survey be noted.

54 RISK REGISTER HIGHLIGHTS REPORT

The Head of Finance submitted a report (HF/18/17) which informed Members of the Council's key 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 policies and significant partnerships. Extracts from these Risk and Control Registers as at 3 February 2017 were attached at Appendices B – F of the report.

Members raised the following matters in particular:

- Adult Social Care: Insufficient capacity within the private / independent sector to provide residential care due to continued austerity measures and increases in the National Minimum Wage should be identified as an emerging new service risk. It was reported that this matter had been identified as a potential risk by many local authorities throughout Wales.
- It was suggested that a short commentary on the measures put in place to mitigate identified red and amber risks be included in future Committee reports to give Members assurance that these risks were being managed effectively.
- The Audit Lead commented that the purpose of the report was to provide Members with an overall view of the risks identified within the Council. Measures to mitigate these risks were identified within the individual Departmental Risk and Control Registers.
- Several Members sought further clarification on the management of risks within Adult Social Care in several service delivery areas and it was agreed that the identification and mitigation of risks within the Adult Social Care Department be a topic for consideration at one of the pre-meeting short training sessions.

RESOLVED – That the contents of the Risk Register extracts as set out in report HF/18/17 be noted.

55 PROGRESS REPORT - EXTERNAL AUDIT AND INSPECTORATES

The Head of Finance submitted a report (HF/12/17) which provided Members with an update on current and planned financial and performance audit work undertaken by the Wales Audit Office on behalf of Wrexham County Borough Council. The report also provided information on the Auditor General's programme on national value-for-money examinations.

Matthew Edwards (Financial Audit Manager) and Paul Goodlad (Performance Audit Lead) Wales Audit Office, introduced the report and gave a brief overview of the progress made against outputs and milestones on the delivery of the audit work undertaken since the December 2016 meeting of the Audit Committee.

Members then raised the following matters in particular:

- The additional work undertaken by the Finance Department due to the Council's participation in an 'outcomes pilot' approach for the certification of claims and returns for Welsh Government grants during the 2015/16 financial year was noted.
- With reference to the audit relating to the effectiveness of local authorities' arrangements for funding third sector services, a further information report was requested on the preparation of 'Checklists' to be prepared by the Local Authorities when working with the third sector. The Head of Finance commented that the audit report had only recently been published and its recommendations were to be considered by the Council's Strategic Leadership Team.
- In response to a question, the Head of Finance confirmed that links to the reports prepared by the Wales Audit Office could be accessed via the Council's Intranet.

RESOLVED – That the contents of the Wales Audit Office progress report be noted.

56

ADDITIONAL ITEM OF BUSINESS - ENVIRONMENT ENFORCEMENT SERVICES IN WREXHAM

The Chair referred to recent changes made by the Council in carrying out the monitoring and enforcement of environmental offences relating to dog fouling, litter and breaches of any Public Space Protection Orders in the County Borough. The 'no tolerance' approach adopted by the Council has resulted in an escalation in the number of fixed penalty fines issued and in the number of people taken to court for non payment of these fines. Most of the court prosecutions related to the dropping of litter and he sought the Committee's views on whether this action was having an adverse impact on the reputation of the Council.

There was a general consensus that the operation of the scheme could be a matter for consideration by the relevant Scrutiny Committee.

RESOLVED – That the Chair of the Audit Committee submits a Topic Request Form to the Scrutiny Chairs/Vice Chairs Co-ordinating Group that this matter be considered by the relevant Scrutiny Committee.

Independent Lay Member Jerry O'Keeffe
Chair