



PWYLLGOR ARCHWILIO

2.00 PM - DYDD MERCHER, 25 MEDI 2019

YSTAFELL BWYLLGORA 1/2-CANOLFAN DDINESIG PORT TALBOT

RHAN 1

1. Datganiadau o fudd
2. Cofnodion y Cyfarfod Blaenorol (*Tudalennau 5 - 6*)

Adroddiad Swyddfa Archwilio Cymru

3. Diweddariad y Pwyllgor Archwilio - Cyngor Bwrdeistref Sirol Castell-nedd Port Talbot (*Tudalennau 7 - 18*)

Adroddiad Cadeirydd y Pwyllgor Archwilio

4. Pwyllgor Archwilio-Annual Report 2018-2019 (*Tudalennau 19 - 20*)

Adroddiad Cyfarwyddwr Cyllid a Gwasanaethau Corfforaethol

5. Adroddiad Cynnydd Archwilio Mewnol hyd at 31 Awst 2019 (*Tudalennau 21 - 36*)
6. Monitro Rheolaeth y Trysorlys 2019/2020 (*Tudalennau 37 - 40*)
7. Eitemau brys
Unrhyw eitemau brys yn ôl disgrisiwn y Cadeirydd yn unol ag Adran 100B(4)(b) Deddf Llywodraeth Leol 1972.
8. Mynediad i gyfarfodydd
Yn unol ag Adran 100A(4) a (5) Deddf Llywodraeth Leol 1972, gwaherddir y cyhoedd o'r eitemau busnes canlynol sy'n debygol o ddatgelu

gwybodaeth eithriedig fel a nodwyd ym Mharagraff 12 ac 15 Adran 4
Atodlen 12A y Ddeddf uchod.

RHAN 2

Adroddiad Preifat Cyfarwyddwr Cyllid a Gwasanaethau Corfforaethol

9. Unrhyw eitemau brys (boed yn gyhoeddus neu'n eithriedig) yn y
Cadeirydd yn unol ag Offeryn Statudol 2001 Rhif 2290 (fel y'i
diwygiwyd) (*Tudalennau 41 - 46*)

S.Phillips
Prif Weithredwr

Canolfan Ddinesig
Port Talbot

Dydd Mercher 18 Medi, 2019

Aelodaeth y Pwyllgor:

Cadeirydd: J.D.Morgan

Is-gadeirydd: L.M.Purcell

Aelodau: Councillors S.apDafydd, A.R.Aubrey,
S.E.Freeguard, J.Miller, R.W.Wood, A.L.Thomas,
O.S.Davies, A.N.Woolcock, A.J.Richards a/ac
H.C.Clarke

**Mae pleidleisio
aelod lleyg:** J.Jenkins

Mae'r dudalen hon yn fwriadol wag

AUDIT COMMITTEE

(Port Talbot Civic Centre, Committee Rooms 1/2)

Members Present: **29 July, 2019**

Chairperson: Councillor J.D.Morgan

Vice Chairperson: Councillor L.M.Purcell

Councillors: S. ap Dafydd, O.S.Davies, J.Miller,
A.J.Richards, A.L.Thomas, R.W.Wood and
A.N.Woolcock

Officers In Attendance: H.Jones, A.O'Donnell, J.North and N.Headon

Representing the Wales Audit Office: G.Gillett and A. Ford

1. **MINUTES OF PREVIOUS MEETING**

RESOLVED: that the Minutes of the meeting held on 26 June, 2019, be approved.

2. **AUDIT OF FINANCIAL STATEMENTS REPORT 2018/19**

Members received an update from the Welsh Audit Office on the Audit of Financial Statements Report 2018-2019.

It was noted that there was one misstatement identified as part of the audit which was not restated in the Accounts.

RESOLVED: that the report be noted.

3. **STATEMENT OF ACCOUNTS 2018/19**

Members received an overview of the Statement of Accounts 2018/19, following the completion of the external audit.

It was noted that the final Statement of Accounts was updated from the draft considered in June to reflect the anticipated impact of the McCloud Supreme Court judgement made on 27 June, 2019. This will have no impact on the management accounts for 2018/19, nor change the Council's reserve balances.

Officers thanked the Welsh Audit Office for the work put in to preparing the accounts and for enabling early closure. Members thanked all Officers involved for the work that had gone into meeting these deadlines.

The Chairperson signed the Letter of Representation regarding the 2018/19 financial statements, this will be sent to the Auditor General for Wales and published on the internet site by 31 July.

RESOLVED: that the report be noted, also:

Letter of Representation, included as Addendum 1 of the circulated report, be approved.

The final 2018/19 Statement of Accounts, as included in Addendum 2 of the circulated report, be approved;

The Chair of the Audit Committee signed the Letter of Representation and the Statement of Accounts.

CHAIRPERSON



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Audit Committee Update – Neath Port Talbot County Borough Council

Audit year: 2019

Date issued: September 2019

Document reference: APS092019

Tudalen 7

Eitem yr Agenda 3

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at info.officer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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Audit committee update

About this document

- 1 This document provides the Audit Committee of Neath Port Talbot County Borough Council (the Council) with an update on current and planned Wales Audit Office work. It covers financial and performance audit work together with information on the Auditor General's programme of local government related studies.

Audit plan

The dates we presented our audit plans for 2018 and 2019 are set out in Exhibit 1.

Exhibit 1: audit plan.

Area of work	Status
Audit Plan 2018	Presented to Audit Committee April 2018
Audit Plan 2019	Presented to Audit Committee March 2019

Financial audit update

- 3 Exhibit 2 provides members of the Audit Committee with a brief overview of progress against the planned financial audit key outputs and milestones set out in our 2019 audit plan.

Exhibit 2: financial audit update

Planned output	Scope	Status
Financial Statements 2018-19	Audit of the Council's 2018-19 financial statements.	Opinion issued 30 July 2019.
Margam Crematorium Joint Committee Annual Return 2018-19	Audit of the Committees 2018-19 Annual Return	Opinion issued 30 July 2019
Welsh Church Act Trust Fund 2018-19	Independent examination of the Trust Fund 2018-19 financial statements	Opinion planned to be issued November 2019
Certification of Grants 2018-19	Certification of grants and returns 2018-19	Work on the Councils 2018-19 grant claims is in progress. Completion planned for December 2019
Annual Audit Letter	Letter summarising our 2018-19 audit work.	Planned for December 2019

Performance audit update

- 4 Exhibit 3 summarises the progress of the performance audit work set out in the 2017 and 2018 audit plans which is still in progress and provides a brief overview of progress against the planned performance outputs and milestones set out in our 2019 audit plan.

Exhibit 3: performance audit update

Topic	Scope	Status	Timescale
Performance audit work - 2017 audit plan			
Service User Perspective Review	This project tested the service-user interface at all authorities. The review evaluated what it feels like (as a member of the public) to deal with council services, involving a selection of services and scenarios. In Neath Port Talbot CBC we looked at the Council's Digital Strategy and specifically at the Council's approach to 'channel shift' (moving services online)	Complete	Report finalised July 2019
Performance audit work - 2018 audit plan			
Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations	Examination of the extent to which the Council has acted in accordance with the sustainable development principle when taking steps to meet one or more of its wellbeing objectives. The 'step' that is being reviewed is 'We will work with partners to ensure that we target support to those children at risk of adverse childhood experience in the first 1,000 days of their lives'.	Complete	Report finalised August 2019

Topic	Scope	Status	Timescale
Thematic Review - Environmental Health	Review of the arrangements the Council has put in place to deliver environmental health services, building on the study previously undertaken by the Auditor General as part of the 'delivering with less' themed studies.	Fieldwork complete. Feedback presentation to Council officers June 2019	Key findings to be included in Annual Improvement Report
Thematic Review - Corporate Safeguarding Arrangements	Review of the effectiveness of corporate safeguarding arrangements, building on the study previously undertaken by the Auditor General in this area.	Fieldwork complete.	Draft report due September/October 2019
Thematic Review - Leisure Services	Review of the arrangements the Council has put in place to deliver leisure services building on the 'study previously undertaken by the Auditor General as part of the 'delivering with less' themed studies.	Fieldwork complete. Feedback presentation to Council officers June 2019	Key findings to be included in Annual Improvement Report
Annual improvement Report	Annual report summarising the audit work undertaken in the last year, which also includes a summary of the key findings from reports issued by 'relevant regulators'.	Work planned to be undertaken April 2018 – June 2019.	Draft report issued August 2019.
Performance audit work - 2019 audit plan			
Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations	Examination of the extent to which the Council has acted in accordance with the sustainable development principle when taking steps to meet its wellbeing objectives.	Not started	Reporting – November 2019

Topic	Scope	Status	Timescale
Assurance and Risk Assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.	Not started	Feedback - January 2020
Financial Sustainability	A project common to all local councils that will assess financial sustainability in light of current and anticipated future challenges.	Not started	To be confirmed
Local Performance Audit Project	Review of the Council's performance management system.	Not started	Reporting – March 2020
Improvement audit and assessment work including improvement planning and reporting audit	Audit of discharge of duty to publish an improvement plan, and to publish an assessment of performance.	Improvement Plan audit – complete. Assessment of Performance Audit – not started	Improvement Plan Certificate issued. Reported to Cabinet June 2019 Assessment of Performance Certificate to be issued November 2019.

WAO local government improvement studies

- 5 The Wales Audit Office also undertakes a programme of local government studies funded from the Welsh Consolidated Fund, which lead to national reports rather than local reports. Exhibit 4 summarises the present position on the programme of studies currently underway.

Exhibit 4: local government improvement studies programme of work

Topic	Scope	Status	Timescale
2018-19 Local Government Improvement Studies – 2018 audit plan			
Tackling Violence Against Women, Domestic Abuse and Sexual Violence	Our review will focus on determining whether local authorities and their partners are effectively working together to prevent gender-based violence and domestic abuse and protecting all of the people involved.	Fieldwork complete, drawing conclusions. Neath Port Talbot CBC was not a fieldwork site in this study.	National report due to be published in 3 rd /4 th quarter of 2019.
2019-20 Local Government Improvement Studies			
Review of Public Service Boards and the effectiveness of partnership working	This review will provide assurance and insight on how well PSBs are delivering the expectations of the Well-being of Future Generations Act, and by working together in tackling complex hard to shift problems.	Project set up and fieldwork underway in three local authorities. Neath Port Talbot CBC is not a fieldwork site in this study.	To be confirmed
The impact of austerity on LA discretionary services	This review will provide independent assurance that councils approaches to discretionary services are sustainable and that changes in provision or cessation of activity do not adversely impact future generations or those with protected characteristics.	We are currently undertaking survey work and developing a data collection tool. Our fieldwork sites will be selected on collation and analysis of the data tool returns.	To be confirmed

Topic	Scope	Status	Timescale
Commercialisation in local authorities	This review will focus on producing good practice case studies and support materials to help authorities develop their approaches to commercialisation. It will also comment on long-term approaches to financial sustainability and how commercial activity supports organisations to deliver their wider wellbeing objectives and corporate priorities.	We are currently setting up fieldwork at five councils and drafting various data collection tools. Neath Port Talbot Council is one of the fieldwork sites.	To be confirmed

WAO national studies

- 6 The Audit Committee may also be interested in the WAO national studies programme that are related to local government. **Exhibit 5** provides information on our recently published national studies that have relevance to local authority organisations.

Exhibit 5: local authority related national studies

Topic	Findings	Status
The 'front door' to adult social care	<p>Councils are preventing social-care demand, but information, advice and assistance are not consistently effective.</p> <p>The focus of our work has been to judge the effectiveness of this new 'front door' to social care, looking specifically at services for adults.</p>	<p>Published 12 September 2019</p> <p>http://www.audit.wales/publication/front-door-adult-social-care</p>
Integrated Care Fund	<p>This report examines whether the fund is being used effectively to deliver sustainable services that achieve better outcomes for service users. It focuses on whether the Welsh Government is effectively managing the fund to deliver against its intentions, as well as understanding whether RPBs are demonstrating effective use of the fund. The report also considers whether the projects supported by the fund are making a clear difference at a local level.</p>	<p>Published 18 July 2019</p> <p>http://www.audit.wales/publication/integrated-care-fund</p>

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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Neath Port Talbot County Borough Council

Audit Committee – Annual Report 2018-2019

Introduction

This report summarises the work undertaken by the Audit Committee of Neath Port Talbot County Borough Council throughout the 2018-2019 Civic Year.

Membership

The members of the Audit Committee were: Councillors Dr D Morgan, L Purcell, A R Aubrey, H C Clarke, S E Freeguard, J Miller, S H Reynolds, A J Richards, R W Wood, S ap Dafydd, O S Davies, L Jones and Mrs J Jenkins (Voting Lay Member)

The Committee Chair was Cllr. Dr. Del Morgan, and the Vice Chair was Cllr. Linet Purcell.

Work Programme

The Committee's forward work programme is agreed by members on a rolling basis, although this Committee's work is often driven by statutory requirements or by the dynamic necessities of particular circumstances as they arise.

The Committee met four times formally during the year.

Specific Duties and Tasks Undertaken by the Committee

The Committee approved the Council's Statement of Accounts including the Annual Governance Statement.

The Committee approved the Council's Internal Audit Plan for the year. Members queried the rationale for the number of days planned on some of the audits and asked for details of how the risk ratings were calculated.

The Committee on a quarterly basis monitored Internal Audit performance against the plan. The Audit Manager responded to all questions asked by Members and provided further information at future meetings where appropriate.

The Committee monitored External Audit Performance and received update reports from Wales Audit Office.

The Committee received an update on the actions taken to address the recommendations made in the external review of the Council's compliance with the Public Sector Internal Audit Standards.

The Committee approved a revised Internal Audit Charter.

The Committee received regular details of all investigations relating to theft, fraud and malpractice.

The Committee received Treasury Management Progress Reports in order to fulfill their obligations in relation to the Scrutiny of Treasury Management activity.

The Committee received an update on the Authority's Strategic & Operational Risk Registers and contributed to developing the format of the risk registers. In addition the Committee received a demonstration from Officers of the newly introduced Risk Management IT system. Committee Members were able to 'walk through' the system to provide assurance that the processes and procedures proposed were appropriate.

(Cllr. Dr. Del Morgan, Chair)

(September 2019)



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

25th September 2019

Report of the Head of Finance – Huw Jones

Matter for Information

Wards Affected:

All Wards

Internal Audit Progress Report to 31st August 2019

1. Purpose of the Report

The purpose of this report is to provide details of the work undertaken for the current financial year compared to that included in the Internal Audit Plan and to highlight issues relevant to the performance of the section.

2. Executive Summary

Details of achievement against the 2019/20 Audit Plan are outlined in appendix 1. Appendix 2 gives a summary of all reports issued in this reporting period.

3. Background

One of the terms of reference of this Committee is to 'monitor internal (and) external audit performance'. In order to comply with this requirement to monitor the in-house service, a progress report is given below outlining internal audit work undertaken in the last quarter. This work is then set against the original Internal Audit Plan to show what progress has been achieved.

In addition, information is provided for members on the current position regarding staff vacancies and other staffing issues within the team.

4. Audit Assignments Completed

A total of 14 formal audit reports have been issued since 1st March 2019 in line with normal distribution guidelines. Attached as appendix 1 is a schedule of the reports together with a brief summary of the finding and the risk rating applied following the audit.

The following is a list of the reports issued;

- 3 Private Reports
- 3 Primary Schools
- Annual General Primary Schools Report
- Control Risk Self Assessments – Fundamental Financial Systems
- Fleet Workshops
- Officers' Declarations of Interest
- Glamorgan Education Trust Fund
- Live Kilometre Grant
- DBS Checks - Corporate
- Financial Assessments

5. Post Audit Reviews Undertaken

The following Post Audit Reviews (PARS) have been undertaken

Audit	Date of PAR	Issues
Tywyn Primary School	11.06.19	None
Margam Crematorium	14.06.19	All recommendations had been or were in the process of being implemented.
Ysgol Maes Y Coed	18.06.19	None
Ysgol Hendrefelin	18.06.19	All recommendations had been or were in the process of being implemented.
Blaenhonddan Primary School	03.07.19	None
Godre'graig Primary School	08.07.19	All recommendations had been or were in the process of being implemented.
Rhydyfro Primary School	10.07.19	None

6. Progress against Plan

Appendix 2 gives detail of the work carried out to date against the 2019/20 Plan.

There are currently 5 special investigations in progress.

7. Staffing.

One member of the team has been on long term sick leave and the Fraud Auditor has left the Authority. The vacant Fraud Auditor and Assistant Auditor posts are currently being advertised.

8. Financial Impacts

No implications

9. Integrated Impact Assessment

There is no requirement to undertake an Integrated Impact Assessment as this report is for monitoring/information purposes.

10. Valleys Communities Impacts

No implications

11. Workforce Impacts

No implications

12. Legal Impacts

No implications

13. Risk Management Impacts

No implications

14. Consultation

There is no requirement for external consultation on this item

15. Appendices

Appendix 1 – Published Reports

Appendix 2 – Audit Plan Monitoring 2019/20

16. List of Background Papers:

None

Officer Contact:

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Appendix 1 – Published Reports

Tudalen26

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Risk Category
R7	Control Risk Self Assessments – Fundamental Financial Systems Head of Finance	Good controls were found to be operating.	1
R8	Fleet Workshops Head of Engineering & Transport	Good controls were found to be operating.	1
R9	Officer Declarations of Interests All Heads of Service	Testing provided generally positive results and recommendations were made in relation to reviewing the Employee Code of Conduct to provide clarity on what is required of officers.	2
R10	Glamorgan Educations Trust Fund Director of Finance & Corporate Services	All requirements were met and no recommendations were made.	1
R11		Private Item	

Appendix 1 – Published Reports

Tudalen27

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Risk Category
R12	Cillfriw Primary School Head of Participation	Generally good controls were found to be in place however the school had not complied fully with DBS portability guidance	2
R13	Live Kilometre Service Grant Head of Engineering & Transport	Good controls were found to be in place however a calculation error had been made which resulted in a non-material adjustment to the grant being required.	2
R14	YGG Blaendulais Head of Participation	Generally good controls were found to be in place. Recommendations were made in relation to Governor DBS and procurement card administration.	2
R15	St. Therese's RC Primary School Head of Participation	Generally good controls were found to be in place however the school had not complied fully with DBS portability guidance.	2
R16	DBS Checks Corporate Head of Human Resources	DBS guidance has been complied with for the sample of 30 new starters tested.	1
R17		Private Item	

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Risk Category
R18		Private Item	
R19	General Primary Schools Report Head of Participation	This is the annual report which is sent to all Headteachers advising of the issues raised and recommendations made during the previous 12 months.	N/A
R20	Financial Assessments Head of Finance	Generally good controls were found to be operating. Recommendations were made in relation to the Debt Recovery Policy, deferred payments and system access rights.	2

Tudalen28

Risk Categories

Category 1 – testing found good controls to be in place

Category 2 – testing found some controls that need enhancing which will be achieved by the implementation of the recommendations

Category 3 – testing revealed a number of areas where improvements in controls are required. A verbal update will be provided

Appendix 1 – Published Reports

Category 4 – testing revealed areas of concern, the Head of Service will provide a written response to the audit report for consideration by Members of Audit Committee

Category 5 – testing revealed areas of significant concern. The Head of Service and/or Service Manager will attend audit committee

Appendix 2 – Audit Plan Monitoring as at 31s August 2019

Tudalen30

<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
<u>Education, Leisure and Lifelong Learning</u>					
<u>School Based Audits</u>					
20 Primary Schools	M	1 school audited	3 schools audited		
3 Secondary Schools	H				
<u>Other Education</u>					
Unofficial Funds (Primary)	H				
Unofficial Funds (Secondary)	H				
Education Grants	M	1 grant being audited	Grant audit finalised		
<u>Leisure, Culture and Lifelong Learning</u>					
Margam Country Park & Orangery	M				
<u>Finance and Corporate Services</u>					

Appendix 2 – Audit Plan Monitoring as at 31s August 2019

Tudalen31

<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
Revenue Collection					
Council Tax	L				
Council Tax Recovery	M				
NNDR	L				
Sundry Debtors	L				
Cash Collection	H		Unannounced visits undertaken		
Benefits Administration					
Housing Benefits	L	Unannounced visits undertaken			
Exchequer					
Payroll	L				
Creditor Payments	L				
Creditor (FIS Checks)	H	Regular monthly checks undertaken	Regular monthly checks undertaken		
Off Payroll Payments (IR 35)	H		Advice given		
Accountancy					
Treasury Management	M		Audit in planning stage		

Appendix 2 – Audit Plan Monitoring as at 31s August 2019

Tudalen32

<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
VAT	M				
Other					
Financial Assessments	M	Audit in progress	Audit complete		
Court Deputy	M	Audit in progress	Draft report issued		
Contingency	N/A	Mobile phone audit in progress			
Legal Services					
None					
<u>Chief Executive's</u>					
Members' Driver Declarations	M	Audit in progress	Audit ceased following legal advice		
<u>Social Services, Health and Housing</u>					
Housing General Fund:					
None					

Appendix 2 – Audit Plan Monitoring as at 31s August 2019

Tudalen33

<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
Social Services					
Hillside Secure Unit	M				
Grant Certification	M	1 grant being audited	2 grants audited		
Safeguarding - Children & Adult Services					
Child Sexual Exploitation	H				
Professional Abuse Strategy Meetings	H				
Contingency	N/A				
<u>Environment</u>					
Stores/Equipment attendance at stock takes	H				
Stores processes	H				
Equipment Tracking /Write Offs	M	Audit in progress	Draft report issued		
Winter Gritting Processes	M				
Town Centre Regeneration Programme	M				
Contingency	N/A				

Appendix 2 – Audit Plan Monitoring as at 31s August 2019

Tudalen34

<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
<u>Cross Directorate</u>					
Special Investigations	N/A	3 in progress	5 in progress		
Advice & Guidance Requests	N/A	Ongoing	Ongoing		
Corporate Governance Arrangements	N/A				
Data Security	H				
Contract Audit	M		1 final account processed		
Officer Declarations	M	Audit complete			
Risk Registers	M				
DBS Checks	H		1 Audit Completed		
Complaints Processes	M	Audit in progress	Audit in progress		
Procurement	H				
Money Laundering	M				
Fraud	H	Work ongoing	Blue Badge Audit in progress		
GDPR	M				
<u>Other Commitments</u>					
Banking Administrator	N/A	Work ongoing	Work ongoing		

Appendix 2 – Audit Plan Monitoring as at 31s August 2019

Attendance at working parties N/A Work ongoing Work ongoing

Audit Plan Item 2019-20 **Risk**
Factor **Quarter 1** **Quarter 2** **Quarter 3** **Quarter 4**

Servicing Audit Committee N/A Work ongoing Work ongoing

Vision Impaired West Glamorgan

L

SWTRA

N/A

Audit in progress

FOI Requests

N/A

All requests have
been replied to.

All requests have
been replied to

Year end
accounts audited
and Auditor's
Statement
provided.

Staff association/lottery

N/A

National Fraud Initiative

N/A

Matches being
reviewed

Matches being
reviewed

Mae'r dudalen hon yn fwiadol wag



NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

REPORT OF THE HEAD OF FINANCE – HUW JONES

25th September 2019

Matter for Information

Wards Affected - All

TREASURY MANAGEMENT MONITORING 2019/20

1. Purpose of Report

This report sets out treasury management action and information recently reported to Cabinet (31st July 2019) which also needs to be reviewed by the Audit Committee. It also contains details of external borrowing undertaken subsequent to Cabinet receiving this report.

2. Rates of Interest

- 2.1 The Monetary Policy Committee (MPC) voted on the 2nd August 2018 to increase the bank rate to 0.75%. The reason given for this rise was to try to halt the rises in the rate of inflation.

Effective Date	Bank Rate
4th December 2008	2.00%
8th January 2009	1.50%
5th February 2009	1.00%
5th March 2009	0.50%
4th August 2016	0.25%
2nd November 2017	0.50%
2 nd August 2018	0.75%

- 2.2 The following table provides examples of external borrowing costs as provided by the Public Works Loans Board as at 4th July 2019:



	Equal Instalments of Principal		Annuity		Maturity	
	Previous 29Mar19	Current 04Jul19	Previous 29Mar19	Current 04Jul19	Previous 29Mar19	Current 04Jul19
	%	%	%	%	%	%
5-5.5 years	1.48	1.28	1.48	1.28	1.57	1.30
10-10.5 years	1.57	1.30	1.58	1.30	1.89	1.58
20-20.5 years	1.89	1.58	1.91	1.60	2.36	2.10
35-35.5 years	2.29	2.02	2.34	2.07	2.30	2.09
49.5-50 years	2.40	2.16	2.38	2.16	2.23	2.02

3. General Fund Treasury Management Budget

- 3.1 The following table sets out details of the treasury management budget for 2019/20 along with outturn figures for 2018/19. The budget consists of a gross budget for debt charges i.e. repayment of debt principal and interest, and interest returns on investment income.

2018/19 Outturn £'000		2019/20 Original Budget £'000
19,094	Principal and Interest charges	19,644
	Investment Income	
(509)	- Total	(300)
195	- less allocated to other funds	110
(314)	Subtotal Income	(190)
(340)	Contribution from General Reserves	(180)
134	Contribution to General Reserves	
	Contribution to/(from) treasury management reserve	
18,574	Net General Fund	19,274

NB: Other funds include Trust Funds, Social Services Funds, Schools Reserves, Bonds etc.



4. **Borrowing**

- 4.1 Audit Committee Members should note that since this report was presented to Cabinet external borrowing has been undertaken as detailed below. The reason for the borrowing was to take advantage of historically low rates of interest:

Loan Amount	Term	Interest Rate	Loan Type	Maturity Date
£10,000,000	49 years	1.70%	PWLB Fixed Rate Maturity	1st Jan 2069

5. **Investment Income**

- 5.1 In line with the Council's Investment Strategy, the 2019/20 original budget for investment income is £300k, actual investment income for the financial year to date total's £87k. It continues to be a challenge to generate investment income with rates particularly low as a result of a delay in the much discussed Bank of England Interest Rate rise.

Members should note that the majority of investments are classified as 'specified' i.e. up to 12 months and are currently deposited with Local Authorities and Santander Bank.

- 5.2 The Council policy will allow investments up to a maximum of £25m for periods of more than 1 year and up to 5 years, and this will be considered when decisions on investing surplus funds are made. The Council has no such investments.

6. **Financial Impact**

All relevant financial information is provided in the body of the report.

7. **Integrated Impact Assessment**

There is no requirement to undertake an Integrated Impact Assessment as this report is for information purposes.

8. **Valleys Communities Impacts**

No implications

9. **Workforce Impacts**

There are no workforce impacts arising from this report.



10. **Legal Impacts**

There are no legal impacts arising from this report.

11. **Risk Management**

There are no new risk management issues arising from this report. Borrowing and investment decisions are made in line with the Council's Treasury Management Policy. The Council has appointed Link Asset Services to provide support and advice in relation to this policy.

12. **Consultation**

There is no requirement under the Constitution for external consultation on this item.

13. **Recommendations**

It is recommended that Audit Committee Members note the contents of this report for information

14. **Appendices**

None

List of Background Papers

PWLB Notice Number 256/19

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