

GOVERNANCE AND AUDIT COMMITTEE

(Via Microsoft Teams)

Members Present:

23 April 2021

Chairperson: Councillor J.D.Morgan

Councillors: O.S.Davies, S.E.Freeguard, J.Miller, R.Mizen,
S.Renkes, R.W.Wood and A.N.Woolcock

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

Representing Audit Wales: K.Harvard

Voting Lay Member: J.Jenkins

1. **DECLARATION OF INTEREST**

The following member made a declaration of interest at the commencement of the meeting:

Cllr S.Freeguard - Re: Agenda Item 11 Higher Risk Ratings Private Report, as she has a family member working in the mentioned section.

2. **MINUTES OF PREVIOUS MEETINGS**

With regard to Item 2 of the Minutes dated 11 January 2021, Local Authority Elections Wales Bill 2000, Terms of Reference for Governance and Audit Committee, the Voting Lay Member requested to be kept up-to-date by officers with any additional information or changes.

RESOLVED: That the minutes of the meetings held on 11 January and 15 March 2021, be approved.

3. **2021 AUDIT PLAN – NEATH PORT TALBOT COUNCIL**

Members received an overview of the 2021 Audit Plan for Neath Port Talbot County Borough Council, as detailed in the circulated report.

It was highlighted that the financial statement audit risk had been summarised in the circulated report, and there was no specific risks for Neath Port Talbot, the risks being risks affecting all local government bodies.

Officers explained that in terms of the financial audit proposed timetable, Audit Wales were aiming to complete audit work by 31st July 2021, however that would be dependent on team's availability and the team would also need to ensure that the legislative process which ensured electors were given rights to review and ask questions was complied with.

It was highlighted that Performance Audit Programme 2021-22 was summarised in the circulated report, and was likely to be delivered during autumn 2021.

RESOLVED: That the report be noted.

4. **TERMS OF REFERENCE**

It was noted that the updated Terms of Reference for the Governance and Audit Committee had a new inclusion that this committee review and assess the authority's ability to handle complaints effectively and make reports and recommendations in relation to the authority's ability to handle complaints effectively.

It was highlighted that an officer from the Chief Executives Directorate would attend a future meeting with an update.

The Voting Lay Member requested that current procedures for Compliments and Complaints be forward to her.

RESOLVED: That the report be noted.

5. **INTERNAL AUDIT UPDATE**

Officers explained that the team had been at full complement since February 2021 when the last team member returned from redeployment from the Test, Trace and Protect (TTP) team.

It was highlighted that a total of fourteen formal reports had been issued in line with normal reporting since January 2021, but a total of fifty-eight days had been lost due to sickness since the committee meeting during January 2021. One team member remained on sick leave and was not expected back in work until mid-May, this sickness had impacted on the achievement of the plan, and was being managed in line with the Council's sickness procedures.

RESOLVED: That the report be noted.

6. **INTERNAL AUDIT PLAN FOR THE PERIOD - 1 APRIL 2021 - 31 MARCH 2022**

Members received an update on the draft Internal Audit Plan for the period 1st April 2021 to 31st March 2022, as detailed in Appendix 1 of the circulated report.

Officers explained that it was recommended that we move from a historic system of applying a risk rating to completed audits and move to a more up-to-date assurance rating.

Member's attention was drawn to the wording in the circulated report, it was highlighted that this change would reflect more current audit practice and ensure compliance with Public Sector Internal Audit Standards.

A discussion took place around good practices that had been developed through experience, it was explained that the committees ability to call in a Head of Service or Accountable Manager remained the same. The only change would be in terminology.

Officers agreed to look at assigning green, yellow, amber and red classification to the assurance ratings reported. Members still maintained their right as to call any officer to committee if they had concerns. Officers went onto explain that the audit and outcome would not change, only the reporting of the outcome would change.

A discussion took place regarding assurance rating 'no assurance'. Officers clarified at the end of each audit the Auditor in conjunction with senior officers would go through the audit, the outcomes are then applied to a spreadsheet with formulae embedded and the assurance rating calculated and reported to Members. If there was a no assurance rating officers would firstly advise the Chair then notify Member's. A summary of the audit and reason for the assurance rating would be provided to Members in order for Members to make a judgement whether they required the Head of Service and or Accountable Manager to attend the next available committee. Officers agreed to add additional wording into the 'no assurance'.

Officers explained the intention was to apply the new assurance ratings for the new plan, so any current audit information would still have the risk rating from 1-5 and any audits contained within this year's plan would then move to the assurance rating as opposed to the risk rating, so there would be a cut-off point of the new plan moving to the assurance ratings.

RESOLVED:

1. That the draft Internal Audit Plan as set out in Appendix 1 of the circulated report, be approved.
2. That the Internal Audit Charter as detailed in Appendix 2 of the circulated report, be approved.
3. That the change in how audits are rated, be approved.

7. ACCESS TO MEETINGS

RESOLVED: that pursuant to Section 100A(4) and (5) of the Local Government Act 1972, the public be excluded for the following items of business which involved the likely disclosure of exempt information as defined in Paragraphs 12, 13 and 14 of Part 4 of Schedule 12A to the above Act.

8. **HIGHER RISK RATINGS**

Members received an update on all audits undertaken since the Audit Committee meeting held during January 2021, which had a risk rating of 3, 4 or 5 applied and all special investigations, as detailed in the private circulated report.

RESOLVED: That the report be noted.

CHAIRPERSON