



## **AUDIT COMMITTEE**

### **MINUTES OF THE MEETING HELD AT PENALLTA HOUSE YSTRAD, MYNACH ON WEDNESDAY, 6TH MARCH 2013 AT 2.00 P.M.**

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**PRESENT:**

Councillor J.E. Fussell - Chairman  
Councillor D. Havard - Vice Chairman

**Councillors**

Mrs. K.R. Baker, D.G. Carter, N. Dix, S. Morgan, Mrs. G. D. Oliver, J.A. Pritchard, D. Rees,  
R. Saralis

Lay Member - Mr. N. Yates

**Together with:**

N. Barnett (Deputy Chief Executive), P.S. Evans (Head of Information, Communications,  
Technology and Customer Services), C. Jones (Head of Performance and Property),  
D. Perkins (Head of Legal and Governance), N. Scammell (Head of Corporate Finance),  
J. Williams (Interim Assistant Director, Adult Services), R.M. Harris (Manager Internal Audit),  
R.J. Thomas (Committee Services Officer)

**Also present:**

Sara-Jane Byrne (PricewaterhouseCoopers)  
Non Jenkins, Jackie Joyce, Alastair McQuaid and Jeremy Evans (Wales Audit Office)

#### **1. APOLOGIES**

Apologies for absence were received from Councillors Mrs. E.M. Aldworth and Mrs. D. Ellis,  
together with PricewaterhouseCoopers representatives Ian Davies and Lynn Hine.

#### **2. DECLARATIONS OF INTEREST**

Councillor J.A. Pritchard sought clarification as to whether she should declare an interest on  
agenda item number 3(4), Internal Audit Services Annual Audit Plan, as a school governor at  
Hengoed Primary. The school was listed in appendix B to the report. The Deputy Chief  
Executive advised that as a significant number of Members were governors, this was not  
necessary.

**3. MINUTES - 12TH DECEMBER 2012**

RESOLVED that the minutes of the meeting of the Audit Committee held on 12th December 2012 (minute nos. 1 – 12, on page nos. 1 - 5) be approved as a correct record and signed by the Chairman.

**REPORTS OF OFFICERS**

Consideration was given to the following reports.

**4. GWENT FRAILTY PROGRAMME**

Mr. Alastair McQuaid, Project Manager at the Wales Audit Office (WAO), presented the report and summarised the conclusions of the WAO’s review of the Gwent Frailty Programme, undertaken in 2012, whilst making recommendations for future monitoring of delivery of the proposals for improvement flowing from the review.

In the context of the Gwent wide Programme the WAO concluded that, “Partners are strongly committed to the Gwent Frailty vision and have created a sound Programme management framework to underpin it. Gwent Frailty is in the early stages of implementation and challenges remain to ensure it is sustainable, to change established behaviours and to demonstrate its impact”. Seven proposals for improvement were provided.

Members received clarification as to the challenges referred to, in particular the need to change established behaviours and overcome the differences in the way services are delivered by the six partners. An action plan to address the proposals for improvement was in draft form and would be sent to Members of the Audit Committee once finalised. This was anticipated to be on 7th March 2013.

Mr. McQuaid referred to the Programme being based on a “franchise model” with key core deliverables. The main focus was on the outcomes for users, costs and sustainability. He added that currently there was an in-balance in the costs and benefits being delivered, however there was an overall commitment from all partners. He then confirmed there had also been wider complexities not within the direct control of the project, such as boundary issues and varying out of hours service delivery.

Members asked if it were possible for all Councils to scrutinise the report and whether it were possible for them to have access to reports and minutes. This was confirmed by Mr McQuaid.

In closing, Members received information regarding levels of public engagement and feedback from service users. Confirmation was also given that reports, with the exception of audit reviews that would be referred to the Audit Committee, would be presented to the Health, Social Care and Wellbeing Scrutiny Committee.

The Audit Committee approved the programme of monitoring detailed in the table below.

	<b>For Decision</b>	<b>For Monitoring</b>	<b>Final Sign Off on Completion</b>
Corporate Management Team (CMT)			
Cabinet			
Policy and Resources Scrutiny Committee		✓	
Audit committee			✓
Council			
Responsible officer only	Phil Evans		

## 5. IMPROVEMENT ASSESSMENT LETTER

Mrs. Non Jenkins, WAO, presented the letter and advised that this was the second such letter to be presented to the Audit Committee this year. The Auditor General for Wales, as part of their programme of works for the year 2012-13, carried out an assessment to determine whether CCBC has discharged its duties and met the requirements of the Local Government (Wales) Measure 2009. The letter includes recommendations for future monitoring of delivery of any proposals for improvement flowing from the review.

Mrs. Jenkins advised that the letter gives a commentary on the reliability of the Council's own self-evaluation of the previous year's performance (2011-12).

Mrs. Jenkins summarised the letter and highlighted the Authority's main accomplishments and challenges. While it was acknowledged that the Council's improvement management arrangements were well-embedded and improvements were being made, the need for Members to drive forward improvements (and evidence this), ensure information was received and to achieve consistency across the directorates was key to continued improvement. In addition, the need for the Council to be more clear and transparent was raised.

Members discussed the improvement assessment letter in detail, referring to consistency levels, available comparisons and for indicators to be more narrative to give greater definition to targets and achievements.

Mr. C. Jones, Head of Performance and Property, welcomed the letter but illustrated areas where there were differences of opinion. Acknowledgment of the Council's continued improvement and compliance with the improvement planning duties under the Measure was given by all parties present, and Mr Jones explained the processes already in place, and those to be implemented, to take the letter's recommendations forward.

The Audit Committee approved the programme of monitoring detailed in the table below.

	For Decision	For Monitoring	Final Sign Off on Completion
Corporate Management Team		The Council should ensure that it acts more in accordance with Welsh Government Guidelines (P1)	October 2013
Cabinet			
Scrutiny (state which)		Better engage and strengthen scrutiny to improve self-evaluation arrangements and to inform the Council's overall evaluation of progress against its Improvement Objectives. (P2) All Scrutiny Committees via PM meetings  Ensure all services have effective arrangements to evaluate and improve performance which are consistently reported against agreed Council targets and are subject to robust scrutiny and challenge. (P5) All Scrutiny Committees	Ongoing  April 2013 onwards via SIPs & Ffynnon
Audit Committee		Establish and report against outcome-focussed measures of success for each improvement objective (P3)  P1 – P5 Progress Update	Progress reports presented regularly  December 2013

Council			
Responsible Officer Only		Assist readers to understand and interpret performance indicators by including narrative explanations and also indicating if a high value is good or poor performance. (P4)	October 2013

**6. INFORMATION MANAGEMENT REVIEW FEEDBACK**

Mr. Jeremy Evans, WAO, presented the report that detailed the review of Information Management, which was carried out as part of their programme of works for the year 2012/2013. The report summarised the conclusions of the Regulator’s review and made recommendations for future monitoring of delivery of any proposals for improvement flowing from the review.

Members were advised that they have a critical role to play in evaluating Regulator reviews and in particular understanding what difference such reviews make to improvement of services for citizens of the county borough. The clear role Members had in the monitoring progress in achieving the report recommendations, from the wide range of reviews undertaken, was also highlighted.

Mr. Evans informed the Committee that the WAO concluded that ‘Whilst the Council’s approach to Information is generally sound, there are governance and performance issues that have the potential to undermine the delivery of the Council’s information strategy.’ The reasons for this determine were discussed.

The Head of Information, Communications, Technology and Customer Services advised the Committee that he agreed with the WAO’s findings and demonstrated that a number of concerns had already been addressed.

Members discussed the review’s findings and officers responded to general questions. In particular, the Committee made reference to the use of external storage sites (cloud services) and issues of security surrounding their use, together with the use of filters in both the Council’s offices and schools. Officers advised that should a cloud service be used, the data location would have to be reviewed to ensure that it was based within the EU and therefore covered by the appropriate legislation. Additionally while filters were used to protect school pupils, hard drives and discourage theft, a balance had to be met. Access was flexible and could be amended following a request to IT services.

The Audit Committee approved the programme of monitoring detailed in the table below.

	For Decision	For Monitoring	Final Sign Off on Completion
Corporate Management Team (CMT)			
Cabinet			
Policy and Resources Scrutiny Committee		✓	
Audit Committee			✓
Council			
Responsible Officer Only	Phil Evans		

## **7. INTERNAL AUDIT SERVICES ANNUAL AUDIT PLAN**

The report sought Members' approval of the Internal Audit Services Audit Plan 2013/14. The annual plan outlined the resources available and set out the intended allocation of audit time for the forthcoming year. An outline of the plan, showing the audit days allocated to the main service areas and the schedule of planned visits was attached to the report. In preparing the plan, due consideration had been given to the Five Year Strategic Plan, previously approved by the Committee.

Members were advised that during the coming year, and as the Authority continues to review its operations, its methods of delivery and its performance, the delivery of the internal audit service may have to alter to accommodate any subsequent changes and the proposed audits will be reassessed and prioritised. Those which are not able to be audited within the forthcoming year would be assessed for inclusion in future year plans. The Plan must therefore be viewed as a changing document which is able to respond to new or emerging issues.

Members discussed the report and it was noted that whilst staffing numbers had reduced, they were anticipated and more effective working practices were now in place.

The Audit Committee approved the Annual Audit Plan containing the summary of the Audit Plan 2013/14 and the schedule of planned visits 2013/14.

## **8. PUBLIC SECTOR INTERNAL AUDIT STANDARDS**

The report informed Members of the introduction of a common set of Public Sector Internal Audit Standards (PSIAS) from 1st April 2013.

Officers highlighted that one area within the Attribute Standards (which addresses the characteristics of those performing internal audit activities) makes reference to ongoing internal and external assessment. The latter is new to the Authority, requiring further consideration, including potential cost implications.

The Audit Committee noted the implementation of the new set of standards for internal audit and the likelihood in future of additional expenditure as a result of the requirement for an external review.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 14th May 2013, they were signed by the Chairman.

The meeting closed at 3.55 p.m.

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CHAIRMAN