



MERTHYR TYDFIL  
County Borough Council  
Cyngor Bwrdeistref Sirol  
MERTHYR TUDFUL

## MINUTES OF MEETING

# AUDIT COMMITTEE MEETING

**MONDAY, 1ST FEBRUARY, 2016**

**PRESENT:** Councillor Richard Thomas (In the Chair)

Councillors: G Jones, T Chaplin, M Davies, C T Jones, G Lewis, B E Mansbridge and K Moran

**Officers:** Dean Griffiths (Senior Auditor), Louise Ballinger (Senior Auditor), Anthony Lewis (Head of School Planning and Improvement), Kerry O'Donovan (Corporate Risk and Sustainability Manager), Richard Evans (ICT Operations Manager), Ryan James (Information Security Officer)

**Outside Bodies:** Cliff Smith (Head Teacher Afon Taf High School), John Herniman (Wales Audit Office) Helen Goddard (Wales Audit office)

ITEM NO.	AGENDA MATTER	DECISION
1007	Apologies for absence	Apologies for absence were received from Councillor Ray Thomas and Councillor T Lewis.
1008	Declarations of Interest	Councillor Richard Thomas Declared his interest in Item 5 – Internal Audit Report: Afon Taf High School 2015/16 as he is a Community Governor at Afon Taf High School.
1009	Update on published internal audit reports.	The Chair welcomed Richard Evans and Ryan James to the meeting and opened up the Committee to questions in relation to the report.  The following questions were then raised by the committee

		<p>and were responded to by Richard Evans and Ryan James.</p> <ul style="list-style-type: none"> <li>• Is a satisfactory assessment enough</li> <li>• Is there a risk of a cyber security breach at Merthyr Tydfil County Borough Council</li> <li>• Are there lessons to be learned from public bodies who have had cyber security breaches</li> <li>• Password Security – minimum password age set to 7 days</li> <li>• How effective is Bobs business as a training tool for Staff and Councillors</li> </ul> <p>The Chair thanked the officers for their attendance.</p> <p><b>Resolved that:</b></p> <p>Audit Committee to receive this report and note the update status regarding the implementation of the recommendations made in the internal audit reports.</p>
1010	<p>Annual Risk Management Progress Report and updated Corporate Risk Register for 2015-16.</p>	<p>The Chair welcomed Kerry O'Donovan to the Committee.</p> <p>Kerry O'Donovan referred to the Annual Risk Management Progress Report and Updated Corporate Risk Register for 2015-16 and led the Committee through the key issues within the report.</p> <p>The following questions were then raised by the committee and were responded to by Kerry O'Donovan.</p> <ul style="list-style-type: none"> <li>• Will Lead Officers be called in on a rotational basis or will they only be called in when required</li> <li>• Do Councillors have unrestricted access to an electronic copy of the full risk register</li> <li>• Has anything changed and are we still on target since the report was written</li> <li>• Has the Audit Committee had sight of the six monthly Corporate Risk Register Highlight Reports in the past and would they be a benefit to this committee</li> <li>• Is it realistic to expect the Authority to have no risks, or will there always be risks. Do we monitor other authorities risk registers</li> <li>• Are you responsible for identifying capacity and capability risks</li> </ul>

		<p>The Chair thanked Kerry O'Donovan for the report and his responses to the questions raised by the committee.</p> <p><b>Resolved that:</b></p> <p>The Audit Committee receive and approve this report, including the Corporate Risk Register for 2015-16, and note the progress made in developing Risk Management</p> <p>The Audit Committee invites Lead Directors to attend periodically on a rolling programme basis to report on progress in managing their corporate risks.</p> <p>The Audit Committee notes the proposals to further strengthen the Council's Risk Management arrangements, including to continue to present six monthly highlight reports on the Corporate Risk register to Corporate Management Team and Cabinet</p> <p>This report is forwarded to Cabinet for approval.</p>
1011	Internal Audit Report: Afon Taf High School 2015/2016	<p>Councillor Gareth Jones took the Chair for this item as Councillor Richard Thomas had made a declaration of interest.</p> <p>The Chair welcomed the Headteacher at Afon Taf Cliff Smith and Anthony Lewis Head of School Planning and Improvement to the meeting.</p> <p>The following questions were then raised by the committee and were responded to by the Head Teacher, Head of School Planning and Improvement and the Chair of Governors Councillor Richard Thomas.</p> <ul style="list-style-type: none"> <li>• Who were the responsible parties who had the opportunity to challenge and query the budgets in compliance with the operating schemes for financing schools</li> </ul> <p>The Chair of Governors led the Committee through the recommendations made by Internal Audit and provided an update on each of them.</p> <ul style="list-style-type: none"> <li>• In 2008-09 the deficit was £40,000, now it's nearly £300,000 shouldn't this have been picked up sooner and did the school consider the loss of the sixth form and the reduction in pupil numbers</li> <li>• Why were minutes and financial documentation not made available to the internal auditors at the time of the audit</li> <li>• Were minutes taken at every Finance Committee and every Governing Body Committee and who is responsible for taking them</li> <li>• Are copies of the minutes available for all the</li> </ul>

		<p>Finance and Governing Body meetings</p> <ul style="list-style-type: none"> <li>• Why was it agreed to pay so many members of staff an increase if the school was in such a deficit</li> <li>• How was the school able to have an unlicensed deficit of over £83,000</li> <li>• Can the Authority's monitoring of the schools financial matters be traced</li> <li>• Does anyone from the local authority attend the school's finance committee meetings</li> <li>• Is it correct that you cannot have the same person as Chair of the Finance Committee and the Chair of Governors or is it just a recommendation made by the local authority</li> <li>• When was the SLA signed that enhanced financial support was agreed and requested</li> <li>• Is there a problem in recruiting new teachers at the school</li> <li>• What are the current budgetary pressures facing the school</li> </ul> <p>The Chair thanked everyone for their input and the Head of Afon Taf for his attendance at the meeting.</p> <p><b>Resolved that:</b></p> <p>Audit Committee to receive this report and note its content and the work undertaken to introduce a robust budget reduction plan for the school.</p>
1012	School Balances 2015-2016.	<p>Anthony Lewis referred to the Schools Balances 2015-16 and led the committee through the key points outlined within the report.</p> <p>The following questions were then raised by the committee and were responded to by the officer.</p> <ul style="list-style-type: none"> <li>• Can the figures produced by Agresso in relation to the BROWN/RED risk schools' balances be simplified</li> <li>• Is there every confidence that the recommended funding efficiencies will fill the £296k budget gap and what will that mean for each individual school</li> <li>• What is meant by an appropriately trained/qualified person to chair the finance committee of the governing body</li> <li>• Six schools are currently green in the schools</li> </ul>

		<p>Balances 2013-2016 will there be a lot more going green after the 1<sup>st</sup> April</p> <p>The Chair thanked Anthony Lewis for his attendance and detailed explanations to the questions raised throughout the committee.</p> <p><b>Resolved that:</b></p> <p>That the Audit Committee note the contents of the report and consider whether or not any follow up action is required with respect to individual schools and that they consider to be a cause for concern.</p>
1013	Wales Audit Office National Reports	<p>The Chair requested that if members of the committee have any questions in relation to the reports that they send them to the Internal Audit Department who will forward them to the Wales Audit Office who could comment on them when they next attend the committee.</p> <p><b>Resolved that:</b></p> <p>Members note the contents of the reports.</p> <p>Members extend invitations to relevant officers to attend future audit committee meetings to provide updates regarding progress on implementation of accepted recommendations.</p>
1014	Internal Audit Information Reports	<p>The Chair requested that if members of the committee have any questions in relation to the reports that we can invite the appropriate officers to the next Audit Committee to address the answers to the questions.</p>
1015	Any other business deemed urgent by the Chair	<p>The Chair advised that there was no business deemed urgent.</p>