

## **AUDIT AND GOVERNANCE COMMITTEE**

### **Minutes of the extraordinary virtual meeting held on 13 October 2020**

- PRESENT:** Councillor Peter S Rogers (Chair)  
Mr Jonathan Mendoza (Lay Member) (Vice-Chair)
- Councillors John Griffith, Richard Griffiths, G O Jones, R LI Jones,  
Dylan Rees, Alun Roberts, Margaret M Roberts.
- Lay Member – Mr Dilwyn Evans.
- IN ATTENDANCE:** Chief Executive,  
Director of Function (Resources)/Section 151 Officer,  
Head of Internal Audit & Risk (MP),  
Principal Auditor (NW),  
Committee Officer (MEH).
- APOLOGIES:** None
- ALSO PRESENT:** Councillor Robin Williams (Portfolio Member for Finance),  
Mr Ian Howse (Engagement Partner – Deloitte),  
Ms Bethan Roberts (Audit Wales),  
Accountancy Services Manager (BHO),  
Finance Manager (CK),  
Head of Democratic Services,  
Mr Gareth Wyn Williams (Local Democracy Reporter)
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#### **1 DECLARATION OF INTEREST**

None received.

#### **2 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 1 September, 2020 were confirmed as correct.

#### **3 STATEMENT OF ACCOUNTS 2019/20 AND ISA 260 REPORT**

The report of the Director of Function (Resources)/Section 151 Officer highlighting the main issues arising since the draft Statement of Accounts was presented to the Audit and Governance Committee on 1 September, 2020 was presented.

Details of the main amendments to the draft accounts are set out in the Auditor's Report (Appendix 3 of the report). All the amendments which have been agreed as requiring restatement by Deloitte have been processed and are within the Statement of Accounts. The Director of Function (Resources)/Section 151 Officer reported that the draft Statement of Accounts were submitted to this meeting in July and thereafter in September and no material changes have been made to the Statement of Accounts.

Questions were raised by the Members of the Committee as follows:-

- Clarification was sought as to Page 58 of the Statement of Accounts under Note 34 – Officer’s Remuneration, it showed an employee was in the £120k plus bracket compared to maximum of £85k in last year’s Accounts. Mr Ian Howse, Deloitte said that the matter related to a severance package for a Head Teacher
- Reference was made that interest incurred since the draft Statement of Accounts has increased by £37k and clarification was sought whether it would affect the comprehensive income and expenditure table or even the declared underspend. The Director of Function (Resources)/Section 151 Officer responded that the amendment may be an error at Note 44d itself and not within the actual Statement of Accounts. He noted that he would respond to the anomaly in due course.
- Clarification was sought as to whether funding has been distrusted from the David Hughes’ Charity Trust to help young people within the Secondary Schools. The Director of Function (Resources)/Section 151 Officer responded that whilst the David Hughes’ Charity Trust is mentioned within the Statement of Accounts the full report on the Accounts of the David Hughes’s Charity Trust will be reported to the Executive in November. The Portfolio Holder for Finance said that £276,400 has been transferred to the schools in 2019 towards learning coaches and that each Secondary School has received £8,560 towards grants for pupils.

Mr Ian Howse, Deloitte wish to congratulate the Council on meeting the original statutory timetable for issuing draft accounts to a very high standard during the difficult period due to the Covid-19 pandemic. He noted that the minor typographic amendments will be rectified before submission to the Authority’s full Council meeting. Mr Howse, reported the External that a level of ‘materiality’ was set at £3.7m which would apply to any local authority in Wales and is based on annual expenditure. He noted that some work is outstanding which was noted in paragraph 5 of the report and he referred to the completion and review of the Pensions Liability on receipt of IAS19 assurances from Pension Fund Auditor as well as conclusion in relation to McCloud and Goodwin cases. Mr Howse said that the work that is outstanding will be completed before the full Accounts are submitted to the full Council for acceptance.

Questions were raised by the Members of the Committee as follows:-

- Reference was made to the ‘Payroll’ Controls within the report and that the matter would be reported to the Committee. The Director of Function (Resources)/Section 151 Officer responded that for a number of years the authority has experienced difficulties with the separation of adequate roles within the payroll team due to limited staffing levels. The team has been restructured last year and an additional employee has been employed as a Systems Administrator whose role is to set access levels to the payroll system and to produced exception reports prior to the authorisation of each payroll which lists in detail the new starters and leavers, payments which exceed certain pre-set parameters. The Internal Auditors have reviewed the system put in place and have responded that the level of assurance is satisfactory and the exception report will be submitted to the next meeting of this Committee.

The Director of Function (Resources)/Section 151 Officer further said that he wished to thank Mr Ian Howse and his team as this will be the last External Audit report by Deloitte. He noted that the Welsh Audit Offices will be taking over the financial audit from next year.

**It was RESOLVED:-**

- **To recommend to the County Council that it confirms the acceptance of the 2019/20 Statement of Accounts;**

- **To approve the Annual Governance Statement and refer the document to the Leader of the Council and the Chief Executive for signature.**

**Councillor Peter Rogers  
Chair**