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## AUDIT COMMITTEE 23/6/16

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**Present:** Councillor Trevor Edwards (Chair)  
Councillor Angela Russell (Vice-chair)

**Councillors:** Tom Ellis, Aled Ll. Evans, E. Selwyn Griffiths, John B. Hughes, Aeron M. Jones, Charles Wyn Jones, Sion Wyn Jones, Dilwyn Morgan, Michael Sol Owen, John Pughe Roberts, John Wyn Williams and Peredur Jenkins (Cabinet Member for Resources).

**Lay Member:** John Pollard

**Also in Attendance:** Dafydd Edwards (Head of Finance Department), William E. Jones (Senior Finance Manager), Dewi Morgan (Senior Revenue and Risk Manager), Luned Fôn Jones (Audit Manager), Hawis Jones (Strategic Planning Manager, Performance and Projects - for Item 7 on the agenda), Sioned Thomas (Senior Policy Officer - for Item 7 on the agenda) and Bethan Adams (Member Support and Scrutiny Officer).

**Apologies:** Councillors Anwen J. Davies, Gweno Glyn, W. Tudor Owen, Gethin Glyn Williams and Dyfrig Siencyn (Deputy Leader).

### 1. CHAIR

**RESOLVED to elect Councillor Trevor Edwards as Chair of the Committee for 2016/17.**

He took the opportunity to thank the former Chair and congratulated Councillors Dilwyn Morgan and Angela Russell for gaining a national qualification after they completed the Wales Leadership Academy Programme.

### 2. VICE-CHAIR

**RESOLVED to elect Councillor Angela Russell as Vice-chair of the Committee for 2016/17.**

### 3. DECLARATION OF PERSONAL INTEREST

Councillor Angela Russell declared a personal interest in item 9 on the agenda - Gwynedd Harbours Final Accounts 2015/16 as her daughter worked at Pwllheli Harbour.

The member was not of the opinion that it was a prejudicial interest and she participated fully in the discussion on the item.

### 4. MINUTES

The Chair signed the minutes of the meeting of this committee held on 5 May 2016, as a true record.

### 5. EXTERNAL AUDIT REPORTS

The Senior Policy Officer set out the context, drawing the attention of members to responses received to what had been raised by members at the meeting on 21 January 2016. The Strategic Planning Manager, Performance and Projects reminded members that the role of the Committee was to satisfy themselves with the progress that had been made.

Members were given an opportunity to provide observations on the report and appendix which noted the audits undertaken by external auditors in recent years together with their proposals for improvement, their action plans and progress to date.

During the discussion the following main points were noted:

- **Paragraph 2.3 Awareness and use of advocacy services** - need to receive confirmation whether or not the Corporate Parent Panel was satisfied that every individual received advice and support whether it be official or unofficial;
- **Page 28 Young People not in education, employment or training** - need to receive confirmation of the number of young people who were not in education, employment or training;
- **Page 38 (10) Timeliness of child protection conferences** - need to receive confirmation why it was difficult to achieve a quorum at conferences bearing in mind the importance of the child safeguarding field;
- **Page 40 (11) Raise awareness of the implications and requirements of Deprivation of Liberty Safeguards (DoLS) and improve the governance arrangements for the operation of the procedures** - need to receive confirmation of what happened considering that there were 119 on the waiting list.

**RESOLVED:**

**(i) To accept the report;**

**(ii) To ask relevant departments for responses to the points raised during the discussion.**

## **6. FINAL ACCOUNTS 2015/16 – REVENUE OUTTURN**

The report was submitted by the Cabinet Member for Resources, he noted that the final financial position of Council departments for 2015/16 confirmed that there was effective financial management by the relevant Cabinet Members, department heads and budget managers, despite the continued requirements to deliver challenging savings. It was noted that the financial situation was better than the projections submitted in the second and third quarters. It was reported that there had been a substantial improvement in the financial situation of the Adults, Health and Well-being Department.

Attention was drawn to the financial transactions approved by the Cabinet at its meeting on 7 June.

The Head of Finance Department noted that the 2015/16 underspend was more than expected because the situation of the Health and Well-being Department had improved, but the Department's situation was still serious. It was also noted that the Council faced a challenging period with general uncertainty in terms of Local Government budgets. Attention was drawn to Appendix 3, where details had been included on the harvesting work from specific funds which, together with the underspend, had meant that the Council's general balances would have reduced by only £833k from £6.4m to £5.6m on 31/3/16.

Members were given an opportunity to provide observations, the officers responded to them as follows:

- Not implementing cuts, such as Public Toilets, would only suspend action on a decision as it was anticipated that more savings would have to be identified;
- Gwynedd Consultancy's overspend was low bearing in mind the high income levels and that it kept professional posts in Gwynedd which would be located outside the County should it not be part of the Council;

- An element of work undertaken by Gwynedd Consultancy for the North and Mid Wales Trunk Road Agency had been internalised by them, and the reduction in income by 2016/17 will be a matter for the Head of Gwynedd Consultancy to consider when business planning;
- The Council had sent correspondence to every school asking them to confirm what they intended to do with their reserves. The Schools Budget Forum had approved the right for the Council from 2017/18 onwards to return reserves over the 5% threshold to Council budgets;
- When posts became vacant naturally during the financial year, there was a tendency not to fill the post which had meant an underspend and giving up the budget the following financial year therefore, the same level of underspend would not be repeated in 2016/17.

The Chair thanked all officers involved with the budgets for their work.

**RESOLVED to note the situation and the relevant risks in the context of the Council's budgets and those of its departments.**

## **7. GWYNEDD HARBOURS' FINAL ACCOUNTS 2015/16**

The Senior Finance Manager submitted the report regarding the final accounts of Gwynedd Harbours for the year 2015/16 in line with the statutory requirements under the Harbours Act 1964. It was noted that Gwynedd Harbours was considered a small governing body, as turnover was less than £2.5m, and due to the fact that completing an annual official form for the Wales Audit Office (WAO) met statutory requirements.

Attention was drawn to the fact that the accounts did not include Hafan Pwllheli nor Victoria Dock, as they were not included within the definition of a Harbour.

It was reported that the accounts and the form would soon be the subject of an audit by Deloitte, Gwynedd Council's external auditors which had been appointed by the Auditor General for Wales, and an amended version would be submitted to a meeting of the Committee on 29 September 2016 should there be any changes.

In response to an enquiry by a member regarding parking income at Morfa Bychan, it was noted that the income had been included in the Economy and Community Department's Beaches budget therefore, it was independent from these accounts.

**RESOLVED to accept and approve the information in the appendices, namely -**

- **Income and Revenue Expenditure Account 2015/16 - Appendix A; and**
- **Statements of Accounts form for 2015/16, for audit - Appendix B.**

## **8. SELF-ASSESSMENT OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE**

The Senior Revenue and Risk Manager submitted a report which reported back on a self-assessment of the effectiveness of the Committee which had been held at a workshop for members on 31 May 2016. It was noted that the guidelines of the *Chartered Institute of Public Finance and Accountancy (CIPFA) 'Audit Committee – Practical Guidance for Local Authorities and Police'* were used in order to consider:

- Whether or not the Committee did the things it should, in accordance with the statutory requirements on it and best practice.
- How effective it did these things.

Reference was made to matters that required attention and it was noted that a regular update was submitted to the Committee.

The Chair expressed his disappointment that only 7 members of the Committee were present at the workshop.

A member noted that it had been an useful activity and that it would provide a foundation for work.

In response to an observation by a member regarding formulating a proposed training programme for Committee members, the Senior Revenue and Risk Manager confirmed that the training programme, to be formulated for the Committee's members, would be implemented after the 2017 Election.

**RESOLVED:**

- (i) to accept the contents of the report as a basis for an action plan for the Committee's further development;**
- (ii) that a regular update should be received.**

**9. GWYNEDD COUNCIL'S ANNUAL GOVERNANCE STATEMENT 2015/16**

The Senior Revenue and Risk Manager set out the background and context of the report.

It was noted that the Committee had received a regular update on the work of the Governance Arrangements Assessment Group on the governance self-assessment during the year. It was highlighted that the only score that had changed, since submitting an update to the Committee at its meeting on 5 May, was the effectiveness score of Performance Management from 2 to 3 out of 5.

In response to an observation by a member, the Senior Revenue and Risk Manager noted that the work of the Governance Arrangements Assessment Group, the Management Group and the Audit Committee strengthened the Council's governance arrangements, and provided evidence to support the Council should a challenge be submitted by WAO in terms of the impact and effectiveness scores of elements of the Governance Framework. He added that the increase in the effectiveness score of Performance Management reflected the progress made to introduce a new performance management system across the Council.

**RESOLVED:**

- (i) to approve the Annual Governance Statement for 2015/16;**
- (ii) to recommend that the Council Leader and the Chief Executive sign the statement.**

The meeting commenced at 10.30am and concluded at 11.40am.

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**CHAIR**