



City and County of Swansea

Minutes of the **Governance & Audit Committee**

Multi-Location Meeting - Gloucester Room, Guildhall / MS

Teams

Tuesday, 31 May 2022 at 2.00 pm

Present:

Councillor(s)

T J Hennegan
J W Jones
K M Roberts

Councillor(s)

P R Hood-Williams
M W Locke
L V Walton

Councillor(s)

A J Jeffery
S Pritchard
T M White

Lay Member

Paula O'Connor
Julie Davies

Gordon Anderson
Philip Sharman

Officer(s)

Jeremy Parkhouse
Simon Cockings
Ben Smith
Tracey Meredith
Adam Hill
Nick Davies

Democratic Services Officer
Chief Auditor
Director of Finance / Section 151 Officer
Chief Legal Officer / Monitoring Officer
Deputy Chief Executive / Director of Corporate Services
Principal Auditor

Apologies for Absence

M B Lewis

1 Election of Chair for the 2022-2023 Municipal Year.

Resolved that Paula O'Connor (Lay Member) be elected as Chair for the 2022-2023 Municipal Year.

(Paula O'Connor (Chair) presided)

2 Election of Vice-Chair for the 2022-2023 Municipal Year.

Resolved that Councillor P R Hood-Williams be elected Vice-Chair for the 2022-2023 Municipal Year.

3 Disclosures of Personal and Prejudicial Interests.

In accordance with the Code of Conduct adopted by the City and County of Swansea, the following interests were declared: -

Councillor T M White declared a personal interest in Minute No.5 – Internal Audit Annual Report 2021/22.

Adam Hill declared a personal interest in Minute No.7 – Draft Annual Governance Statement 2021/22.

4 Minutes.

Resolved that the Minutes of the previous meeting(s) of the Governance & Audit Committee were approved as a correct record.

5 Internal Audit Annual Report 2021/22.

Simon Cockings, Chief Auditor presented a report which summarised the work completed by Internal Audit 2021/22 and included the Chief Auditor's opinion for 2021/22, based on the work undertaken in the year.

The Internal Audit Plan 2021/22 up to 31 March 2022 was provided at Appendix 1. A complete list of each audits finalised during 2021-22, along with the level of assurance, the number of recommendations made and accepted were outlined in Appendix 2 and the performance indicators for 2021-22 were detailed in Appendix 3.

Details of the following were provided: -

- Review of 2021/22;
- Follow up work completed;
- Performance indicators;
- Quality assurance and improvement programme and Statement of Conformance with the Public Sector Internal Audit Standards (PSIAS);
- Statement of organisational independence;
- The Chief Auditor's opinion on the work completed in 2021-22.

The Chair stated that she had met with the Chief Finance / Section 151 Officer and Chief Auditor regarding the CIPFA guidance and was content that the Chief Auditor's opinion reflected the guidance.

The Chair and Committee expressed their thanks to the Chief Auditor and the Internal Audit Team for their significant work in difficult circumstances and the significant improvements made from the previous year.

The Committee discussed the following: -

- The significance of fundamental audits compared to other audits;
- High levels of assurance provided;
- The achievement of completing 84% of the plan compared to the 70% target;
- The impact of the improved staff situation in Internal Audit;
- Recognising the impact of the Covid 19 Pandemic;

- How the work of Internal Audit had not been compromised in any way due to the Pandemic and why any work which could not be completed had been deferred to the following year;
- The positive result of no audits receiving limited assurance;
- The possibility of not counting 'in progress' performance indicators in current year figures;
- The inevitable cross over of work between financial years;
- Continuation of peer reviews in the future and the rotational system being used by Council's in Wales;
- Recognising the Internal Auditors opinion.

Resolved that: -

- 1) The work undertaken by the Internal Audit Team in 2021/22 be noted;
- 2) The progress made against the Internal Audit Annual Plan be noted;
- 3) The Chief Auditor's opinion be noted.

6 Draft Governance and Audit Committee Annual Report 2021/22.

The Chair presented 'for information' the draft Governance and Audit Committee Annual Report for the 2021/22 Municipal Year for the Committee to review and comment upon prior to the final report being presented to Council.

She thanked the Committee Members, Chief Auditor, Internal Audit, Audit Wales and Councillor L V Walton (Committee representative on the Governance Group) for their work and the progress made by the Committee.

The Committee discussed / highlighted the following: -

- Amending references to Local Governance to Local Government and Elections (Wales) Act 2021;
- The inclusion of some items which cross-over municipal years, subject to their importance / impact;
- Amending 202/21 to 2021/22 in the list of contents;
- How the Action Tracker and Work Plan provided the Committee with assurance.

The amendments and comments of the Committee were noted. The Draft Governance and Audit Committee Annual Report 2021/22 would be forwarded to Council for approval.

7 Draft Annual Governance Statement 2021/22.

Adam Hill, Deputy Chief Executive presented the draft Annual Governance Statement (AGS) 2021/22 which allowed the Committee the opportunity to contribute to the annual review of governance.

The report referred to the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives revised framework guidance on the Code of Corporate Governance, which detailed the 7 principles

provided within the framework. Details of how the Authority had complied with the framework were also outlined, along with significant issues faced during the year.

The draft AGS 2021/22 was provided at Appendix A and the final version would be reported to Council before being signed by the Leader and Chief Executive and published with the audited Statement of Accounts 2021/22.

The Committee discussed the following: -

- Amending Local Governance to Local Government at paragraph 9.5 of the report;
- Consider removing duplication in the report in future years to make it leaner, sharper and to provide more impact;
- Consideration be given to impersonal language being used in future years;
- The importance of recognising significant issues and ensuring that they are highlighted, even if they were duplicated;
- Recognising that the cut-off point for submission to Audit Wales was 31 May 2022;
- Consider amending the action to be taken in respect of lack of workforce capacity, capability and resilience and relying on staff goodwill.

Resolved that the Annual Governance Statement be agreed and subject to the amendments highlighted by the Committee being added, be forwarded to Council for approval as part of the Statement of Accounts.

8 Election of Governance & Audit Committee Representative on the Governance Group.

Jeremy Parkhouse, Democratic Services Officer, presented a report which sought to appoint a representative of the Governance & Audit Committee on the Governance Group until May 2023. The terms of reference of the Governance Group was provided at Appendix 1.

Councillor L V Walton was proposed by Councillor T M White and seconded by Councillor P R Hood-Williams.

Resolved that: -

- 1) Councillor L V Walton be elected as the Governance & Audit Committee representative on the Governance Group;
- 2) The appointment only be until the end of the current Municipal Year in May 2023.

9 Governance & Audit Committee Action Tracker Report.

The Governance & Audit Committee Action Tracker Report was presented 'for information'.

Phil Sharman highlighted that as discussed at the meeting held on 12 April 2022, the Committee terms of reference which included reference to the additional Lay Members, required updating.

The Chief Legal Officer stated that the required amendments would be made and the Council Constitution updated in due course.

10 Governance & Audit Committee – Work Plan 2022/23.

The Governance & Audit Committee Work Plan 2022/23 was reported 'for information'.

The Chair requested that the Committee forward any potential items for discussion to Democratic Services.

The meeting ended at 3.18 pm

Chair