

**City and County of Swansea**

**Minutes of the Governance & Audit Committee**

**Multi-Location Meeting - Gloucester Room, Guildhall / MS**

**Teams**

**Wednesday, 15 June 2022 at 1.00 pm**

**Present:** Paula O'Connor (Chair) Presided

**Councillor(s)**

P R Hood-Williams  
M W Locke  
T M White

**Councillor(s)**

A J Jeffery  
S Pritchard

**Councillor(s)**

J W Jones  
K M Roberts

**Lay Member(s)**

Gordon Anderson  
Philip Sharman

Julie Davies

**Officer(s)**

Adam Hill  
Ben Smith  
Debbie Smith  
Rachael Davies  
Sarah Lackenby  
Nick Davies  
Kim Collis  
Richard Rowlands  
Jeremy Parkhouse

Deputy Chief Executive / Director of Corporate Services  
Director of Finance / Section 151 Officer  
Deputy Chief Legal Officer  
Head of HR & Service Centre  
Head of Digital and Customer Services  
Principal Auditor  
County Archivist  
Strategic Delivery & Performance Manager  
Democratic Services Officer

**Also Present**

Gillian Gillett  
Non Jenkins

Audit Wales  
Audit Wales

**Apologies for Absence**

M B Lewis and L V Walton

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**11 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.13 - Internal Audit Annual Plan 2021/22 - Monitoring Report for the Period 1 January 2022 to 31 March 2022.

**12 Minutes.**

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

**13 Internal Audit Annual Plan 2021/22 - Monitoring Report for the Period 1 January 2022 to 31 March 2022.**

Nick Davies, Principal Auditor presented a detailed 'for information' report which showed the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 January to 31 March 2022.

A total of 30 audits were finalised during the quarter. The audits finalised were listed in Appendix 1, which also showed the level of assurance given at the end of the audit and the number of recommendations made and agreed. Appendix 2 provided a summary of the scope of the reviews finalised during the period.

An analysis of the assurance levels of the audits finalised was given and a total of 188 audit recommendations were made and management agreed to implement 184 of the recommendations. An analysis of the recommendations agreed during the quarter was also provided and details of the recommendations that were not accepted were provided at Appendix 3.

It was explained that following the easing of Covid 19 restrictions, Internal Audit had, where necessary, been able to successfully undertake a number of site visits to complete on-site testing to complete audits. It was added that the team continued to largely work remotely.

Appendix 4 showed that at 31 March 2022, 96 audit activities from the 2021/22 audit plan had been completed to at least draft stage (73%) with an additional 11 audits noted as being in progress (8%). This had resulted in approximately 82% of the audit activities included in the 2021/22 Audit Plan being completed or were in progress. In addition, 4 audits contained in the original plan were no longer required and 16 reviews were deferred to 2022/23.

Two moderate reports were issued during the quarter in respect of the following: -

- Accounts Receivable 2021/22.
- Freedom of Information (FOI) / Subject Access Requests (SAR) / Environmental Information Regulation Requests (EIR) 2021/22.

The Committee were also provided with details of the follow-ups completed between 1 January and 31 March 2022.

The Committee discussed the following: -

- Disputed / outstanding invoices and the process followed, including departments receiving income prior to invoices being paid.
- Concern regarding some audit ratings given, particularly the justification for a couple of substantial / high ratings recently awarded and how Internal Audit assess / check the ratings / level of risks / and overall assurance levels involved prior to agreeing a rating.
- Some further narrative to be provided to Committee in order for them to have a better understanding of how assurance levels are awarded.
- Reviews of Debt Recovery – Financial Services and Legal recovery / Corporate Governance and the scope of the reviews.
- The appointment of the Interim Chief Executive, the robust internal process followed, the positive impact of the handover process and the good corporate governance followed in respect of the appointment.
- The reason why the grants and contracts audit of Child & Family Services was not required, how Internal Audit would discuss the scope with management before the audit commences and how further narrative would be provided in respect of future audits which were not required.
- Grants certified by Internal Audit and the processes undertaken.
- Consideration to be given on possibly combining the detailed follow up work undertaken on Moderate reviews contained in the 'Quarterly Monitoring Report' and including them in the 'Quarterly Follow Up' report.
- Departmental breakdown of aged debts in departments and the provision of a more detailed report at the next scheduled meeting.
- Reporting procedures relating to the Community Equipment Service, particularly Joint Partnership Group.
- An update on Partnership arrangements being provided to the Committee in September 2022.

#### **14 Response to the Freedom of Information Audit 2022.**

Sarah Lackenby, Head of Digital & Customer Services and Kim Collis, Data Protection Officer provided a 'for information' response to the recent audit of Freedom of Information (FOI) requests, Environmental Information Regulations (EIR) and Subject Access Requests (SAR).

It was explained that as a result of an internal audit undertaken in the first half of 2022 of how the Council responds to FOI and other statutory information requests from the public, an assurance level of 'Moderate' was given.

It was added that while responsibility for the outcome of the audit rested with the whole Council, as represented by Corporate Management and Leadership Teams,

the Council's Data Protection Officer (DPO) and Senior Information Risk Owner (SIRO) agreed to take responsibility for the action plan arising out of the audit and consult as necessary with the two bodies.

The completed actions from the action plan were provided at Appendix A, along with progress towards completion of other required actions.

The Committee discussed the following: -

- Increasing staff skills across all directorates.
- Actions taken when information not redacted had been sent outside the Authority. The response regarding the actions taken be forwarded to the Committee.
- Establishing accountability and responsibility within the Authority.

## **15 Service Centre – Accounts Receivable – Moderate Report.**

Adam Hill, Deputy Chief Executive provided a verbal update on the Moderate audit opinion received in respect of Accounts Receivable.

He stated that a more detailed report would be provided to the next Committee meeting in July 2022.

The Committee were provided with a progress update in relation to the issues raised in the Internal Audit report and were given assurance that progress was being made in respect of disputes and debt recovery.

The Committee discussed the following: -

- Concern with the loss of income to the Authority.
- The need to spend to realise the income.
- Previous policies followed with regards to bad, disputed debt and the risks to the Council.
- The ongoing pressure faced by the Service Centre, the continued loss of staff to other projects due to Covid 19 and the ongoing active role of CMT.
- The tracking of debts between departments, providing more information to the Committee and the continued ripple effect of Covid 19 on the Authority.
- The small context of the outstanding debt in relation to the overall finances being dealt with by the Council, the understanding within the Council that recovery of the debt was a priority and the poor financial outlook being faced.

## **16 Internal Audit Recommendation Follow-Up Report Q4 2021/22.**

The Principal Auditor presented a 'for information only' report which provided the Committee with the status of the recommendations made in those audits where the follow-up's had been undertaken in Quarter 4/ 2021/22, which allowed the Audit Committee to monitor the implementation of recommendations made by Internal Audit. Appendix 1 provided a summary of the recommendations accepted and implemented. Appendix 2 provided details of recommendations not implemented.

The Committee discussed the following: -

- It was requested that some of the details in future follow up reports be provided in a pictorial view which would make them more user friendly. The Principal Auditor stated that these were system generated reports, however he was happy to consider the request and would discuss the option with the Chief Auditor.
- The independent valuation of assets contained at Swansea Museum and the Glynn Vivian Art Gallery, including the items in storage.
- Working with client departments to reach agreement / new deadline dates regarding recommendations not implemented.

The Chair expressed concern that previously items at the Glynn Vivian Art Gallery and Swansea Museum had not been revalued and as the Museum contained a significant amount of stock, requested that Corporate Management Team closely examined this area.

#### **17 Audit Wales - 2022 Audit Plan – City and County of Swansea Council.**

Non Jenkins and Gillian Gillett, Audit Wales presented 'for information' the Audit Wales 2022 Audit Plan – City & County of Swansea. The Plan outlined the planned Audit Wales work during 2022 to discharge its statutory responsibilities as external auditor and to fulfil its obligations under the Code of Audit Practice.

The Plan presented the duties of the auditor which included the audit of the financial statements and risks, the Council's arrangements to obtain value for money and how the Council complies with the sustainable development principle.

In addition, details of the performance audit and programme, certification of grant claims and returns, statutory audit functions, audit fee, team and timetable were provided.

The Committee queried the auditing of grant aid paid to organisations outside the Council, ensuring payments were made correctly and were not fraudulent. It was explained that tracking fraud was the responsibility of the Council and Welsh Government requirements ensured that the Council had robust arrangements in place in respect of grant payments.

The Principal Auditor added that Internal Audit and Corporate Fraud staff had provided significant advice & support to client services responsible for issuing the Covid 19 grant payments.

#### **18 Audit Wales Work Programme and Timetable – City and County of Swansea Council.**

Non Jenkins and Gillian Gillett, Audit Wales presented 'for information' the Audit Wales Work Programme and Timetable – City and County of Swansea.

The report detailed the quarterly update and listed the following: -

- Annual Audit Summary

- Financial Audit Work
- Performance Audit Work
- Local Government National Studies Planned / In Progress
- Estyn
- Care Inspectorate Wales (CIW)
- Audit Wales National Reports and Other Outputs Published Since 1 April 2021
- Audit Wales National Reports and Other Outputs Due to be Published During 2021-22 (and other work in progress / planned)
- Forthcoming Good Practice Exchange Events and Publications

The Committee discussed the following: -

- Level of material misstatements for Swansea Council.
- Accounts Receivable function and review, including examining bad debt.
- Date of publishing expectations for Statement of Accounts.
- The auditing of the City Deal in a separate audit plan.
- Value for money / good practice / Covid 19 findings / support provided to local authorities.

**19 Governance & Audit Committee Action Tracker Report.**

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

The Deputy Chief Executive stated that a full scoping exercise had been completed in respect of a software performance at Minute No.74 – 8 February 2022. He added that he hoped to provide a verbal update on progress at the next meeting.

**20 Governance & Audit Committee - Work Plan 2022/23.**

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

The Chair stated that any proposed items should be forwarded to the Democratic Services Officer.

The meeting ended at 2.53 pm

**Chair**