



City and County of Swansea

Minutes of the **Governance & Audit Committee**

Multi-Location Meeting - Gloucester Room, Guildhall / MS

Teams

Wednesday, 25 October 2023 at 2.00 pm

Present: Paula O'Connor (Chair) Presided

Councillor(s)

P R Hood-Williams
M W Locke
T M White

Councillor(s)

J W Jones
S Pritchard

Councillor(s)

M B Lewis
L V Walton

Lay Member(s)

Gordon Anderson
David Roberts

Julie Davies

Also Present

Councillor R C Stewart
Councillor D H Hopkins

Leader of the Council
Deputy Leader of the Council

Officer(s)

Ness Young
Simon Cockings
Richard Rowlands
Jeremy Parkhouse
Stephen Holland
Jeff Fish
Lee Cambule
Rachael Davies
David Howes
Sarah Lackenby
Matthew Perkins

Director of Corporate Services
Chief Auditor
Strategic Delivery & Performance Manager
Democratic Services Officer
Principal Solicitor
Team Manager Stakeholder and School Support
Tackling Poverty Service Manager
Head of HR & Service Centre
Director of Social Services
Head of Digital and Customer Services
Group Leader Waste Management

Also Present

Derwyn Owen
Bethan Roberts
Gillian Gillett
David Roe
Julian Nicholds

Audit Wales
Audit Wales
Audit Wales
Acting Headteacher, Clydach Primary School
Chair of Governors, Clydach Primary School

Apologies for Absence

A Davis

35 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 P R Hood-Williams declared a personal interest in Minute No.43 – Public Services Ombudsman of Wales Annual Letter 2022-23.

36 Minutes.

Resolved that the Minutes of the previous meeting(s) of the Governance & Audit Committee were approved as a correct record, subject to the following amendment: -

Minute No.30 – Corporate Risk Overview 2023/24 – Quarter 1

In relation to discussions regarding Risk ID 159 - Financial Control – MTFP Delivery – amend the following: -

‘The effect upon transformation savings was queried’ to ‘The sensitivity of transformation savings was queried.’

37 Employment of Agency Staff - 2023 Update.

Rachael Davies, Head of Human Resources and Service Centre presented a ‘for information’ report which provided an update on the actions arising from the Employment of Agency Staff Audit report in 2021.

The Committee requested specific actions at the meeting held in September 2022 and the progress made was reported against each specific action.

Details of agency worker numbers, costs, compliance requirements of heads of service, feedback from Social Services / Place Directorates, role of Staffline and future agency contract arrangements, were provided.

The Committee discussed the following: -

- The positive progress made whilst recognising the need to ensure service provision, especially in frontline services.
- Targeted advertising in respect of seasonal jobs.
- The possibility of introducing flexible contracts and the difficulties in managing this in certain work areas.
- Looking at and tackling the reasons why full-time staff are missing work, in order to reduce agency worker numbers.
- The individual circumstances relating to each agency worker and the numbers of agency workers taken on full-time, by section.
- The effect of inflation upon agency worker costs.
- Offering permanent posts to agency workers as opposed to fixed term contracts.
- Extra hours being offered to part-time workers instead of employing agency staff.

Councillor R C Stewart, Leader of the Council stated that the Authority had made a commitment to try to convert agency workers to permanent employees. He added that part-time workers were also offered overtime hours to prevent agency workers having to be hired.

The Head of Human Resources and Service Centre was requested to provide details of agency workers who had been employed on permanent contracts by the Authority and the cost of employing agency workers in previous years.

38 Absence Management Audit Report Update.

The Head of Human Resources and Service Centre presented a 'for information' report which provided an update on the Absence Management Audit Report.

It was explained that as a result of the first internal audit on Absence Management carried out in 2020, an assurance level of moderate was given. A further audit was being carried out in October 2023.

The report provided details of sickness data, progress up to October 2023 and Occupational Health support.

The Committee discussed the following: -

- The improvement of information available to managers through Oracle Fusion. It was added that the contracts for agency firms was due to be renewed in April 2024 and additional information would be available after the contract award.
- The shortages of Occupational Health staff nationally and the Committee being provided with a 6-month update on progress.
- The effectiveness and use of the Redeployment Policy, in addition to considering more creative ways of retaining employees.
- The current age profile of the Council's workforce and the future implications for the Authority.
- The impact of stress across the Council and the measures taken to address this, e.g. stress management and counselling service.
- The future provision of absence figures due to accidents.
- The large number of different categories of absence.

Ness Young, Director of Corporate Services highlighted that an update on the Council's Management Arrangements for Sickness Absence and Occupational Health was scheduled for Committee on 6 December 2023. The Chair noted that the report would therefore be moved to the meeting on 10 April 2024.

The Head of Human Resources and Service Centre was requested to provide details of time lost due to accidents in the next update report.

39 Clydach Primary School Audit Report 2023.

David Roe, Acting Headteacher and Julian Nicholds, Chair of Governors presented a 'for information' report which provided an update on the moderate audit report for Clydach Primary School.

It was outlined that as a result of an internal audit on Clydach Primary School carried out in 2023, an assurance level of moderate was given. An action plan was developed to address the issues identified and appropriate implementation steps put in place. All items including actions taken to date were provided at Appendix A, which listed the recommendations, associated actions and review of actions to undertaken to date.

The Acting Headteacher, who had been in post since September 2023, and Interim Headteacher, in post November 2022 to July 2023, had been leading in addressing all of the recommendations and had been supported by appropriate local authority officers to address the points within the action plan.

It was added that all recommendations had been fully met other than one in the action plan, which was planned to be met by January 2024. Internal Audit were due to undertake their follow up audit during Quarter 3 or Quarter 4, 2023-2024.

The Committee discussed the following: -

- The amount of work completed and the focus upon risk.
- The timeline to appoint a new Headteacher, which was scheduled to be completed at the end of November 2023.
- Confirmation that the Governing Body had a Finance Committee, which reported to the Governing Body.

The Chair thanked the Clydach School representatives for attending the meeting and highlighting the progress made.

40 External Assessment Report 2023/24.

Simon Cockings, Chief Auditor provided a 'for information' report which provided a summary of results of the external assessment of compliance with the Public Sector Internal Audit Standards (PSIAS) undertaken by the Internal Audit Team of Blaenau Gwent County Borough Council.

It was explained that in line with the Public Sector Internal Audit Standards, the most recent review by Blaenau Gwent County Borough Council (CBC) was undertaken between December 2022 and August 2023. Meetings were also held with various officers within Swansea Council. The External Assessment Report outlining the findings of the review was provided at Appendix 1.

It was added that the assessment comprised a desktop review of the self-assessment and supporting evidence and discussions were held with the Chief Audit Executive (CAE), by the Professional Lead and the Senior Auditor at Blaenau Gwent CBC to gain insight and views on the operation of the Internal Audit Team and adherence to the Standards.

In summary, there were 304 best practice lines within the PSIAS and the Internal Audit Service of Swansea Council had been assessed as fully conforming with 303 of the requirements (including those not applicable). One area of partial compliance

was noted in relation to a dedicated Information Technology audit resource within the team. Therefore, the Internal Audit Service of Swansea Council had been assessed as generally conforming with the standards in all significant areas and operating independently and objectively.

Three optional actions were also suggested as part of the review with the aim of enhancing existing compliance in some areas, as shown at Appendix 1. Actions that would be completed to address the one area assessed as partially compliant and the three suggestions to enhance current compliance were provided in the Action Plan contained in the External Assessment Report.

The Chair commented on the following: -

- The report was positive in overall content.
- No-one from Blaenau Gwent CBC had contacted any Governance and Audit Committee members as part of the review, which was disappointing because the Committee's terms of reference is clear that the Committee should have been involved in and contributed to the assessment.
- Consideration be given to having a full external review (not a peer review) to be undertaken within the next 5 years.
- Surprise at the 29 areas deemed not applicable considering that no consultation took place, but the Chief Auditor confirmed that there are documented procedures in place demonstrating that had Internal Audit been asked to undertake this work, it would be undertaken in compliance with the PSIAS's.
- Whether the Council's IT Section had been consulted regarding training / IT expertise within Internal Audit whilst recognising the high costs involved with IT training for internal auditors.

The Chief Auditor stated the assessment table was used in his previous annual reports. He added that the non-applicable areas were deemed compliant in previous internal assessments due to Internal Audit having processes in place to deal with the issues if asked, to ensure full compliance with the Standards. The areas were deemed non-applicable because Internal Audit had not undertaken any consultancy work during the year.

He added that the lack of IT expertise in Internal Audit was an issue faced by many councils. The Council was looking at how other councils were dealing with the issue and it would be discussed further with the IT Department as part of the ongoing annual consultation exercise.

The Chair also requested that her disappointment that no-one from Blaenau Gwent CBC had contacted any Governance and Audit Committee members as part of the assessment and that consideration be given to having a full external review (not a peer review) to be undertaken within the next 5 years, be noted.

41 Social Services Directorate: Internal Control Environment 2023/24.

David Howes, Director of Social Services presented a report which provided the annual review of the (Directorate) control environment, including risk management, in place to ensure: functions are exercised effectively; there was economic, efficient

and effective use of resources, and; effective governance to secure these arrangements.

A broad break down of the Portfolio was provided under the following areas: -

- Risk Management and Business Continuity.
- Performance Management and Key Performance Indicators.
- Planning and Decision Making.
- Budget and Resources Management.
- Fraud and Financial Impropriety.
- Compliance with Policies, Rules and Regulatory Requirements.
- Programme and Project Assurance.
- Internal Controls.
- Data Security.
- Partnership / Collaboration Governance.

He stated that the report was not significantly different to 2022. He highlighted the financial position and sustainability within the Social Services Directorate, particularly the fact that this was the first year that the Department faced an in-year overspend.

He also highlighted the impact of high inflation; workforce wage increases; workforce retention / sufficiency; the costs of agency staff; the new demands of the Welsh Government; safeguarding, particularly placement sufficiency for Looked After Children, as contributory factors.

The potential impact of changes being proposed for the WCCIS system by Digital Health Wales was also emphasised.

The Committee asked a number of questions of the Officer, who responded accordingly. Discussions centred around the following: -

- The changes proposed by Digital Wales to the WCCIS system and the potential impact of the Department, Authority and Health Board due to the complexity involved.
- The reliance of Scrutiny upon the information provided by the WCCIS system.
- The potential impact upon the individuals who rely upon the services provided by the Department.
- The established pathways of care from hospital to home and the Committee being provided with a flavour of what the Department needed to progress matters.
- Use of social enterprises to expand services / provide services within communities.
- Additional assurance being provided by two dedicated Scrutiny Performance Panels and how the Department was doing all it could to progress.
- Additional assurance being provided in future reports by a narrative being provided outlining actions being taken in hotspot areas.

The Chair thanked the Director of Social Services for providing his report.

42 Scrutiny Annual Report 2022-23 & Scrutiny Work Programme.

Councillor Peter Black, Chair of the Scrutiny Programme Committee presented 'for information' the Scrutiny Annual Report 2022-23 and Scrutiny Work Programme.

It was outlined that the report recognised the relationship between Scrutiny and Governance and Audit Committee, its ongoing importance and the actions already taken as part of this process.

The Committee discussed the following: -

- The active involvement of all Scrutiny Convenors in the process in order to avoid duplication and the formal procedures followed to scrutinise effectively.
- The public information available on Scrutiny contained on the Council website.
- Scrutiny training being provided, including the scheduled Scrutiny Questions training which could accommodate all Councillors.
- Balancing common concerns with strategic issues in the process and how Councillors were relied upon as leads within their own communities on a variety of issues.
- Avoiding work overlaps between Scrutiny and Service Transformation Committees.
- Proposed staff cuts, the consultation process which involved the Scrutiny Chair and the potential impact upon Scrutiny.
- The Scrutiny follow up on the Swansea Public Services Board Plan, which took place in October 2023.

The Chair thanked Councillor Peter Black for presenting the report.

43 Public Services Ombudsman of Wales Annual Letter 2022-23.

Sarah Lackenby, Head of Digital & Customer Services presented a 'for information' report which provided the Public Services Ombudsman of Wales Annual Letter 2022-23 for City and County of Swansea, which included the complaints performance of both Swansea Council and across the whole of Wales.

It was added that the Council recognised that in order to meet the needs and concerns of members of the public, the monitoring of complaints was a valuable resource in its requirement to continually improve services. All complaints were taken very seriously and provided valuable customer insight.

The Annual Letter was provided at Appendix A and it highlighted the activities undertaken by the Ombudsman's office during the year and the Council's performance. It also contained requests by the Ombudsman for the Council to take specific actions in relation to the letter.

The Corporate Complaints Team and staff dealing with complaints across the Authority were thanked for their work. It was added that Internal Audit had provided the service area with a substantial audit rating.

The Committee discussed the following: -

- How the recent introduction of new technology had improved complaints handling.
- Details of 'various other' complaints dealt with by the Ombudsman be provided.
- Departments setting up quality assurance teams and lessons learnt.
- Referrals made by the Ombudsman to Standards Committee.

The Chair requested that the Head of Digital & Customer Services circulates to the Committee details of 'various other' complaints dealt with by the Ombudsman.

44 The Governance and Assurance Arrangements of Swansea Council's Strategic Partnerships.

Richard Rowlands, Strategic Delivery & Performance Manager presented a 'for information' report which provided the Committee with an update on the governance and assurance arrangements of the Council's strategic partnerships.

It was outlined that the Committee received a report about the governance and assurance arrangements of the Council's strategic partnerships at its 8 March 2023 meeting. The purpose of the report was to provide an update on these arrangements within each respective partnership including: -

- Swansea Public Services Board
- West Glamorgan Regional Partnership
- Partneriaeth Joint Committee
- South West Wales Joint Committee
- Swansea Bay City Region Joint Committee.

The report provided further information on how the governance of these partnerships related to the principles contained in the Council's Local Code of Corporate Governance.

The Chair requested that future reports highlight the key challenges and achievements of the partnerships during the period being reported.

45 Report on the Audit Wales 'A Missed Opportunity' - Social Enterprises Report Recommendations.

Lee Cambule, Tackling Poverty Service Manager presented a 'for information' report which provided a briefing to the Committee on the findings of the Auditor General for Wales review of Social Enterprises in Wales and its recommendations for action by local authorities.

It was outlined that Swansea Council's Report on the Audit Wales 'A Missed Opportunity' Social Enterprises report recommendations provided a summary of the report and its findings, as well as highlighting the action taken by Swansea Council to date. This included the response to the three recommendations and notes areas for further action which we intend to explore further.

The Council's analysis of the findings of Audit Wales' report was provided at Appendix A. This included the first iteration of the completed self-evaluation checklist, which had been developed in collaboration with colleagues across the organisation and with oversight from the Enabling Communities Group and Swansea Council Poverty Forum. Based on the evaluation completed as part of the first recommendation, the key actions planned were also listed.

The Committee discussed the following: -

- The good co-production work evidenced in the report and the great examples of work shown in the report.
- The misleading title provided by Audit Wales which suggests inconsistency, when there are great examples of projects and initiatives.
- Finalising and developing a robust action plan going forward.
- Workforce organisation going forward, including shared services, focussing upon health and social care, building relationships and data, and celebrating and sharing successes.
- The wide range of social enterprises and micro businesses and the scope of control.

The Chair recognised the work already completed and the large amount of work outstanding, which could take time to complete. She requested that the Tackling Poverty Service Manager provides an update on the timelines at a future meeting.

46 Report on the Audit Wales 'Together We Can' - Community Resilience and Self-Reliance Report Recommendations.

Tackling Poverty Service Manager presented a 'for information' report which provided a briefing to the Committee on the findings of the Auditor General for Wales review of Community Resilience and Self-Reliance in Wales and its recommendations for action by local authorities.

It was outlined that Swansea Council's Report on the Audit Wales 'Together We Can' – Community resilience and self-reliance report recommendations provided a summary of the report and its findings, as well as highlighting the action taken by Swansea Council to date. This included the response of the Council to the three recommendations and noted areas for further action which the Council intended to explore further.

The Council's analysis of the findings of the Audit Wales' report was detailed at Appendix A which included a completed evaluation conducted by two oversight groups that coordinated the delivery of the Corporate Priority 'Tackling Poverty and Enabling Communities' – these are the Swansea Council Poverty Forum and the Enabling Communities Group.

The evaluation identified 10 key actions to define, deliver and continuously improve the Council's vision for resilient and self-reliant communities in Swansea. These actions would fall under the governance of the Corporate Priority 'Tackling Poverty

and Enabling Communities' and progress would be monitored and reported via the two oversight groups listed above.

The Committee discussed the following: -

- The position of the oversight groups within the corporate structure.
- The importance of co-production and taking people along the journey with you.
- The important involvement of elected Members, particularly revitalising the role of local authority champions and the additional support / training required, which would be included within the detailed action plan.

The Chair recognised the work already completed and the large amount of work outstanding, which could take time to complete. She requested that the Tackling Poverty Service Manager provides an update on the timelines at a future meeting.

47 Audit Wales - City & County of Swansea Detailed Audit Plan 2023.

Derwyn Owen, Audit Wales presented the City and County of Swansea – Detailed Audit Plan 2023.

It was outlined that the Plan specified the statutory responsibilities of the Auditor General as external auditor and fulfilled his obligations under the Code of Practice. It also set out the work Audit Wales intended undertaking to address the audit risks identified, other key areas of focus during 2023, the estimated audit fee, details of the audit team and key dates for delivering the activities and planned outputs of the audit team.

The responsibilities of the Auditor General were set out and information regarding the following was provided: -

- Audit of Financial Statements
- Performance Audit Work
- Your Audit at a Glance
- Financial Statements Materiality
- Significant Financial Statements Risks
- Other Areas of Focus
- Financial Statements Audit Timetable
- Planned Performance Audit Work
- Certification of Grant Claims and Returns, and Statutory Audit Functions
- Fee and Audit Team
- Audit Quality
- The Key Changes to ISA 315 and the Potential Impact on the Council

The Chair requested that a written statement be provided by the Director of Finance to address the concern raised by Audit Wales at the lateness of the Statement of Accounts. It was noted that Audit Wales had been informed that the accounts would be with them before the end of October 2023. Audit Wales stated that it planned to report on the Statement of Accounts in March 2024.

The Chair thanked the Audit Wales Representative for his report.

48 Audit Wales Work Programme and Timetable - City and County of Swansea Council.

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 September 2022
- Audit Wales National Reports and Other Outputs Due to be Published (and other work in progress / planned)
- Good Practice Exchange Resources
- Recent Audit Wales Blogs

It was also confirmed that Audit Wales had recruited to overcome resources issues.

The Committee discussed the following: -

- Thematic Review - Unscheduled Care – It was queried when the report would be available. The Committee were informed that the report was with a partner organisation and the timeline would be provided when available.
- WCCIS – Whether Audit Wales were aware of the decision by Digital Wales to move away from a single performance information system across Wales. It was confirmed that Audit Wales would not have been involved in the decision, were able to review all decisions taken and noted the information provided.

The Chair thanked the Audit Wales representative for her report.

49 Governance & Audit Committee Action Tracker Report.

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

50 Governance & Audit Committee Work Plan.

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

The meeting ended at 4.40 pm

Chair