

## CITY AND COUNTY OF SWANSEA

### NOTICE OF MEETING

You are invited to attend a Meeting of the

### AUDIT COMMITTEE

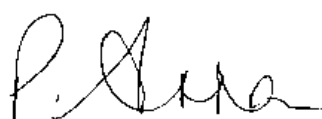
**At:** Committee Room 1, Civic Centre, Swansea

**On:** Thursday, 12 June 2014

**Time:** 4.00 pm

### AGENDA

- 1 Election of Chair for the 2014-2015 Municipal Year.
- 2 Election of Vice-Chair for the 2014-2015 Municipal Year.
- 3 Apologies for Absence.
- 4 Disclosures of Personal and Prejudicial Interests from Members. 1 - 2
- 5 Minutes. 3 - 6  
To approve the Minutes of the meeting of the Audit Committee held on 24 April 2014.
- 6 Internal Audit Charter. 7 - 15
- 7 Fundamental Audits 2012/13 - Recommendations Tracker Update. 16 - 27
- 8 Draft Audit Committee Annual Report 2013/14. 28 - 32
- 9 Wales Audit Office - 2014/15 Performance Audit Work and Fees. 33 - 36
- 10 Coastal Project. (Members to refer to papers discussed at the previous meeting)
- 11 Audit Committee Work Plan. 37 - 38
- 12 Date of Next Meeting - 4 p.m. on Thursday, 10 July 2014.



**Patrick Arran**  
Head of Legal, Democratic Services & Procurement  
Wednesday, 4 June 2014

Contact: Democratic Services - 636016

## AUDIT COMMITTEE (12)

### Lay Member:

Mr Alan M Thomas
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### Councillors:

#### Labour Councillors: 8

Bob A Clay	Jennifer A Raynor
Phil Downing	Robert V Smith
Robert Francis-Davies	Des W W Thomas
Geraint Owens	Lesley V Walton

#### Liberal Democrat Councillors: 2

Jeff W Jones	Paul M Meara
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#### Independent Councillor: 1

Lynda James	
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#### Conservative Councillor: 1

Paxton R Hood-Williams	
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### Officers:

Jack Straw	Chief Executive
Dean Taylor	Director of Corporate Services
Mike Hawes	Head of Financial Services
Paul Beynon	Chief Auditor
Tracey Meredith	Directorate Lawyer
Dave Mckenna	Overview & Scrutiny Manager
Richard Rowlands	Business Performance Manager
Patrick Fletcher	Communications
PricewaterhouseCoopers	External Auditors
Archives	
Democratic Services	
Spares	

### Total Copies Needed:

32
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## Disclosures of Interest

To receive Disclosures of Interest from Councillors and Officers

### Councillors

**Councillors Interests are made** in accordance with the provisions of the Code of Conduct adopted by the City and County of Swansea. You must disclose orally to the meeting the existence and nature of that interest.

**NOTE:** You are requested to identify the Agenda Item / Minute No. / Planning Application No. and Subject Matter to which that interest relates and to enter all declared interests on the sheet provided for that purpose at the meeting.

1. If you have a **Personal Interest** as set out in **Paragraph 10** of the Code, you **MAY STAY, SPEAK AND VOTE** unless it is also a Prejudicial Interest.
2. If you have a Personal Interest which is also a **Prejudicial Interest** as set out in **Paragraph 12** of the Code, then subject to point 3 below, you **MUST WITHDRAW** from the meeting (unless you have obtained a dispensation from the Authority's Standards Committee)
3. Where you have a Prejudicial Interest you may attend the meeting but only for the purpose of making representations, answering questions or giving evidence relating to the business, **provided** that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise. In such a case, you **must withdraw from the meeting immediately after the period for making representations, answering questions, or giving evidence relating to the business has ended**, and in any event before further consideration of the business begins, whether or not the public are allowed to remain in attendance for such consideration (**Paragraph 14** of the Code).
4. Where you have agreement from the Monitoring Officer that the information relating to your Personal Interest is **sensitive information**, as set out in **Paragraph 16** of the Code of Conduct, your obligation to disclose such information is replaced with an obligation to disclose the existence of a personal interest and to confirm that the Monitoring Officer has agreed that the nature of such personal interest is sensitive information.
5. If you are relying on a **grant of a dispensation** by the Standards Committee, you must, before the matter is under consideration:
  - i) Disclose orally both the interest concerned and the existence of the dispensation; and
  - ii) Before or immediately after the close of the meeting give written notification to the Authority containing:

- a) Details of the prejudicial interest;
- b) Details of the business to which the prejudicial interest relates;
- c) Details of, and the date on which, the dispensation was granted; and
- d) Your signature

## **Officers**

### **Financial Interests**

1. If an Officer has a financial interest in any matter which arises for decision at any meeting to which the Officer is reporting or at which the Officer is in attendance involving any member of the Council and /or any third party the Officer shall declare an interest in that matter and take no part in the consideration or determination of the matter and shall withdraw from the meeting while that matter is considered. Any such declaration made in a meeting of a constitutional body shall be recorded in the minutes of that meeting. No Officer shall make a report to a meeting for a decision to be made on any matter in which s/he has a financial interest.
2. A "financial interest" is defined as any interest affecting the financial position of the Officer, either to his/her benefit or to his/her detriment. It also includes an interest on the same basis for any member of the Officers family or a close friend and any company firm or business from which an Officer or a member of his/her family receives any remuneration. There is no financial interest for an Officer where a decision on a report affects all of the Officers of the Council or all of the officers in a Department or Service.

## CITY AND COUNTY OF SWANSEA

### MINUTES OF THE AUDIT COMMITTEE

HELD AT COMMITTEE ROOM 3, CIVIC CENTRE, SWANSEA ON  
THURSDAY, 24 APRIL 2014 AT 5.00 PM

**PRESENT:** Mr A M Thomas (Independent Chair) Presided

**Councillor(s)**

R A Clay  
P Downing  
R Francis-Davies  
P R Hood-Williams

**Councillor(s)**

L James  
J W Jones  
P M Meara

**Councillor(s)**

J A Raynor  
R V Smith  
D W W Thomas

Officers:

M Hawes - Head of Financial Services  
P Beynon - Chief Auditor  
S Heys - Principal Lawyer  
J Tinker - Democratic Services Coordinator

Also Present:

K Williams - Pricewaterhouse Coopers

80 **APOLOGIES FOR ABSENCE.**

Apologies for absence were received from Councillor L V Walton.

81 **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 J W Jones – personal – Minute No 88 – Coastal Project.

82 **MINUTES.**

**RESOLVED** that the Minutes of the meeting of the Audit Committee held on 27 March 2014, be accepted as a correct record.

83 **EDUCATION BRIEFING - RESPONSIBILITY FOR IMPLEMENTING AUDIT RECOMMENDATIONS IN SCHOOLS.**

Further to Minute 75 in respect of the responsibility for implementing audit recommendations in schools, Brian Roles Head of Education Planning and Resources attended the Committee to explain this process. Concern was expressed that there was not a robust mechanism for dealing with this. How school budget

plans were received was described and the importance of an effective plan had been stressed to Head teachers.

Questions were asked if reasons regarding whether reasons were given if issues were not addressed and if Education ever state that the level of progress was unacceptable. It was also queried if there was an internal system that identifies if audit reports were submitted to Governing Bodies.

It was requested that a report be produced regarding the framework in place to support specific actions together with a broader approach of how this is developed through the regional framework. Clarity was required regarding governance issues and the implications of this.

**RESOLVED** that:-

- (1) that a draft report regarding this process be circulated to the Committee
- (2) the Head of Education Planning and Resources present a progress report to this Committee in July 2014.

84 **ANNUAL FINANCIAL OUTLINE - CITY & COUNTY OF SWANSEA 2013/14.**

K Williams presented the Annual Financial Audit Outline – City and County of Swansea report.

The report had been prepared to meet the requirements of auditing standards and proper audit practices.

The report detailed and outlined the financial audit work required for the City and County of Swansea Council 2013/14 financial statements. Information was provided regarding the main operational and financial risks faced by the Council that could impact on the audit and the proposed action that would be taken by the auditor.

**RESOLVED** that Annual Financial Audit Outline report for the City and County of Swansea be approved.

85 **ANNUAL FINANCIAL OUTLINE CITY & COUNTY OF SWANSEA PENSION FUND 2013/14.**

K Williams presented the Annual Financial Audit Outline - City and County of Swansea Pension Fund report.

The report had been prepared to meet the requirements of auditing standards and proper audit practices.

The report detailed and outlined the financial audit work required for the City and County of Swansea Council Pension Fund 2013/14 financial statements. Information was provided regarding the main operational and financial risks faced

by the Pension Fund that impact on the audit and the proposed action that would be taken by the auditor.

**RESOLVED** that Annual Financial Audit Outline report for the City and County of Swansea Pension Fund be approved.

86 **INTERNAL AUDIT ANNUAL PLAN 2014/15.**

The Chief Auditor presented the Internal Audit Annual Plan 2014/15 to the Audit Committee for approval.

A summary of the Internal Audit Annual Plan 2014/15 was shown in Appendix 1 and a list of audits planned for 2014/15 was shown in Appendix 2 along with the number of days planned for each audit. It was stated that a number of audits were deferred in 2013/14 due to vacant posts and the time spent on special investigations exceeding the time allowed in the Annual Plan. As a result of this a number of audits due in 2014/15 with had been deferred to 2015/16 and the number of days for these audits were being in excess of just over 500. In addition, a further 200 days have been saved due to audit no longer required as the service or grant had ceased and a number of fundamental audits had been moved from an annual audit to a 2 year cycle. It was stated that progress made in achieving the Plan would be reported to the Audit Committee on a quarterly basis.

**RESOLVED** that the Internal Audit Annual Plan 2014/15 be approved.

87 **AUDIT COMMITTEE PERFORMANCE REVIEW.**

The Chief Auditor presented a report which summarised the issues identified during the recent performance review undertaken by the Audit Committee, using the CIPFA Self-Assessment Checklist. The issues identified included updating the Terms of Reference, the production of an Annual Report, Committee Member Training and Risk Management.

**RESOLVED** that :

- (1) the Committee agreed the issues to be taken forward arising from the performance review
- (2) a further review of performance take place towards the end of the 2014/15 Municipal year.

88 **COASTAL PROJECT.**

The Head of Finance and Delivery submitted a report which provided details of an investigation completed by the Internal Audit Section into the Coastal Project, following a change in the terms and conditions of the grant by the Welsh European Funding Office in August 2013. An update was also provided regarding the current situation with the Project. It was stated that there was no evidence to suggest that

the Authority was at risk in respect of other European Grants. It was envisaged that the project would maintain or exceed employment targets by the end of June.

It was suggested that this matter be deferred to the next meeting for further detailed consideration. Further Discussion should include the management of all regional projects.

**RESOLVED** that this matter be deferred to the next meeting.

89 **AUDIT COMMITTEE WORK PLAN.**

The Audit Committee Work Plan was provided for information.

**RESOLVED** that the contents of the report be noted

90 **RESPONSES TO CHAIR'S LETTER TO DIRECTORS GROUP REGARDING IMPLEMENTATION OF RECOMMENDATIONS.**

The response to the Chair's Letter was submitted for information.

**RESOLVED** that the response be noted.

91 **RESPONSE TO CHAIR'S LETTER TO HEAD OF FINANCIAL SERVICES REGARDING PARTNERSHIPS.**

The response to the Chair's letter was submitted for information.

**RESOLVED** that the response be noted.

The meeting ended at 6.45p.m.

**CHAIR**



## Report of the Chief Auditor

Audit Committee – 12 June 2014

### INTERNAL AUDIT CHARTER

<b>Purpose:</b>	This report outlines the background to the Public Sector Internal Auditing Standards (PSIAS) which were introduced with effect from 1 <sup>st</sup> April 2013 and presents an Internal Audit Charter for approval by the Committee.
<b>Policy Framework:</b>	None
<b>Reason for Decision:</b>	There is a requirement under the PSIAS for every internal audit provider to have an Internal Audit Charter which must be approved by the Audit Committee
<b>Consultation:</b>	Executive Board, Legal, Finance, Access to Services.
<b>Recommendation(s):</b>	It is recommended that: -  1) the Committee approve the Internal Audit Charter.
<b>Report Author:</b>	Paul Beynon
<b>Finance Officer:</b>	Paul Beynon
<b>Legal Officer:</b>	Sharon Heys
<b>Access to Services Officer:</b>	Sherill Hopkins

#### 1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) came into force on 1<sup>st</sup> April 2013 and replaced the CIPFA Code of Practice for Internal Audit in Local Government
- 1.2 The PSIAS were developed by CIPFA and the Chartered Institute of Internal Auditors (CIIA) and are mandatory for all providers of internal audit services in the public sector.

- 1.3 The new standards are based on the mandatory elements of the global CIIA's International Professional Performance Framework with additional requirements to reflect the UK public sector.
- 1.4 The objective of the PSIAS are to
- Define the nature of internal auditing within the UK public sector
  - Set basic principles for carrying out internal audit in the UK public sector
  - Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations
  - Establish the basis for the evaluation of internal audit performance and to drive improvement planning
- 1.5 The PSIAS consist of the following
- Definition of Internal Audit
  - Code of Ethics
  - International Standards for the Professional Practice of Internal Auditing

## **2. Internal Audit Charter**

- 2.1 One of the requirements of the PSIAS is that every internal audit provider in the UK public sector whether in-house, shared service or outsourced must have an Internal Audit Charter
- 2.2 The Internal Audit Charter is a formal document that defines the internal audit activity's purpose, authority and responsibility. The guidance produced by CIPFA on implementing the PSIAS states that the Charter should
- Recognise the mandatory nature of the PSIAS (the Definition of Internal Auditing, Code of Ethics and the Standards themselves)
  - Define the scope of internal audit activities
  - Establish the responsibilities and objectives of internal audit
  - Recognise that internal audit's remit extends to the entire control environment of the organisation and not just financial controls
  - Define the terms 'board' and 'senior management' for the purposes of the internal audit activity
  - Establish the organisational independence of internal audit
  - Establish the accountability, reporting lines and relationships between the chief audit executive (Chief Auditor) and
    - § The board (Audit Committee)
    - § Those to whom the Chief Auditor must report functionally
    - § Those to whom the Chief Auditor may report administratively

- Set out the responsibility of the board and also the role of the statutory officers (such as the CFO, the monitoring officer and the head of the paid service) with regards to internal audit.
  - Define the role of internal audit in any fraud-related work
  - Set out the arrangements that exist within the organisation's anti-fraud and anti-corruption policies, requiring the Chief Auditor to be notified of all suspected or detected fraud, corruption or impropriety, to inform his or her annual internal audit opinion and the risk-based plan
  - Establish internal audit's right of access to all records, assets, personnel and premises, including those of partner organisations where appropriate, and its authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities
  - Cover the arrangements for appropriate resourcing
  - Include arrangement for avoiding conflicts of interest if internal audit undertakes non-audit activities.
- 2.3 The Chief Auditor is required to review the Internal Audit Charter periodically and present it to the Executive Board and Audit Committee for approval. The PSIAS state that final approval of the Internal Audit Charter resides with the Audit Committee.
- 2.4 The Internal Audit Charter for the City and County of Swansea's Internal Audit Section is attached in Appendix 1
- 2.5 The Charter was presented to the Executive Board on 07/05/14 and is now reported to the Audit Committee for approval

### **3 Equality and Engagement Implications**

- 3.1 There are no equality and engagement implications associated with this report

### **4. Financial Implications**

- 4.1 There are no financial implications associated with this report.

### **5. Legal Implications**

- 5.1 There are no legal implications associated with this report.

**Background Papers:** None

**Appendices:** Appendix 1 City and County of Swansea – Internal Audit Charter

## CITY AND COUNTY OF SWANSEA

### INTERNAL AUDIT CHARTER

#### **1. Introduction**

- 1.1 The Public Sector Internal Audit Standards (PSIAS) came into force on 1<sup>st</sup> April 2013 and replaced the CIPFA Code of Practice for Internal Audit in Local Government
- 1.2 The PSIAS were adopted by the Relevant Internal Audit Standard Setters which is made up of 7 organisations including CIPFA and the Welsh Government.
- 1.3 The PSIAS were developed by CIPFA and the Chartered Institute of Internal Auditors (CIIA) and are mandatory for all providers of internal audit services in the public sector.
- 1.4 The PSIAS consist of the following
  - Definition of Internal Audit
  - Code of Ethics
  - International Standards for the Professional Practice of Internal Auditing
- 1.5 One of the requirements of the PSIAS is that each internal audit provider must have an Internal Audit Charter which is a formal document that
  - Defines the purpose, authority and responsibility for internal audit
  - Establishes the internal audit activity's position within the organisation
  - Authorises access to records, personnel and physical assets
  - Defines the scope in internal audit activities
  - Defines the nature of assurance and consulting activities
- 1.6 The responsibility for the final approval of the Internal Audit Charter lies with the Audit Committee

#### **2. Definition of Internal Audit**

- 2.1 The statutory nature of Internal Audit is established by the following legislation
  - Section 151 of the Local Government Act 1972 which states that local authorities are required to make arrangements for the proper administration of its financial affairs and shall ensure that one of

its officers has responsibility for the administration of those affairs. In Swansea, the Section 151 Officer is the Head of Financial Services

- The Accounts and Audit (Wales) Regulations 2005 state that ‘a local government body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper internal audit practices’

2.2 Against this statutory background, the PSIAS provides the following definition of internal audit

- *‘Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve and organisation’s operations*
- *It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’*

2.3 The PSIAS also includes a Code of Ethics which all internal audit staff are required to comply with. The principles which underpin the Code of Ethics are integrity, objectivity, competency and confidentiality.

2.4 Internal auditors are also expected to adhere to the requirements of any professional body that they are members of as well as the Council’s Officers’ Code of Conduct.

2.5 A number of generic terms are used throughout the PSIAS which must be defined in the Internal Audit Charter. The terms and how they are interpreted in Swansea are shown in the following table

<b>PSIAS</b>	<b>City &amp; County Swansea</b>
Chief Audit Executive	Chief Auditor
Senior Management	Executive Board
Board	Audit Committee

### **3. Role and Function of Internal Audit**

3.1 A professional, independent and objective Internal Audit service is one of the key elements of good governance in local government with the foundation of an effective Internal Audit service being compliance with standards and proper practices.

3.2 Internal Audit is an assurance function that primarily provides an independent and objective opinion to the Council on the control environment comprising risk management, internal control and governance by evaluating its effectiveness in achieving the Council’s objectives

- 3.3 Internal Audit objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 3.4 It is management's responsibility to establish and maintain a sound control environment including risk management, internal control processes, accounting records and governance arrangements.
- 3.5 It is Internal Audit's role to review the established systems and advise management that suitable arrangements are in place and are operating properly. It is particularly important that the work of Internal Audit adds value to the services under review.
- 3.6 Internal Audit will work with management to improve the control environment and assist the Council in achieving its objectives.
- 3.7 The role undertaken by Internal Audit and the annual opinion on the control environment provided by the Chief Auditor which also informs the Council's Annual Governance Statement provides a vital assurance function over the Council's activities.

#### **4. Scope of Internal Audit**

- 4.1 The definition of Internal Audit established by the PSIAS covers the control environment of the Council as a whole
- 4.2 This means that the scope of Internal Audit similarly covers the Council's operations as a whole and is not limited to the review of financial systems.
- 4.3 Financial Procedure Rule 12 – Internal Audit states that the Chief Auditor will maintain an adequate and effective Internal Audit service and provides authority to:
- Enter at all reasonable times on any Council premises or land
  - Have access to, and removal if necessary into custody of, all records, documents and correspondence relating to any financial or other transaction of the Council
  - Require and receive such explanations as are necessary concerning any matter under examination
  - Require any employee of the Council to produce on demand cash, stores or any other Council property under his/her control

#### **5 Independence of Internal Audit**

- 5.1 It is essential that Internal Audit is independent of the services it reviews and reports upon. Internal Audit must be seen to be independent and all staff must be free of any restrictions which prevent them acting in an independent and objective manner.

- 5.2 The Internal Audit Section is part of the Corporate Services Directorate reporting to the Head of Financial Services who is also the Council's Section 151 Officer
- 5.3 The Chief Auditor has no other management responsibilities which restrict the independence of Internal Audit
- 5.4 The Chief Auditor also has unrestricted access to the Chief Executive, Directors, Chief Officers and Heads of Service and may report to any level of management if this is considered necessary. Regular meetings are also held with the Council's external auditor.
- 5.5 The Chief Auditor reports functionally to the Audit Committee in his own name and has unrestricted access to the Chair of the Audit Committee and elected members. The Chief Auditor attends all Audit Committee meetings and contributes to the agenda.
- 5.6 All Internal Audit staff are required to declare any conflicts of interest, of whatever kind, which may impair their ability to demonstrate an impartial, unbiased and objective approach to their work.

## **6 Consultancy Role of Internal Audit**

- 6.1 In addition to the assurance function provided by Internal Audit, there are also occasions where it may also provide a consultancy or advisory role e.g. providing training or advice on controls for systems under development.
- 6.2 On such occasions, Internal Audit is providing advice and guidance and is not giving assurance. Internal Audit always retains the right to review the service at a later date and make further recommendations.
- 6.3 Should a request be received for consultancy work of a significant nature which is not included in the annual plan, the work will not be accepted if it will restrict the ability to complete the required assurance work and deliver the annual internal audit opinion.

## **7 Fraud, Bribery and Corruption Role of Internal Audit**

- 7.1 The establishment of systems and controls to prevent fraud, bribery and corruption is the responsibility of management.
- 7.2 Internal Audit will be aware of the risk of loss by fraud, bribery or corruption in all audit reviews undertaken and will report any exposure to the risk of loss.
- 7.3 Financial Procedure Rule 12 – Internal Audit requires any responsible officer who suspects financial irregularity to inform the Head of Financial Services immediately and to provide facilities for investigation in accordance with the Council's Anti-Fraud and Corruption Policy.

7.4 The details of any suspected or detected frauds will be considered when preparing the risk based Internal Audit Plan and will also inform the Chief Auditor's annual internal audit opinion.

7.5 Where appropriate, Internal Audit will undertake or assist management in the investigation of suspected fraud, bribery or corruption.

## **8 Internal Audit Resources**

8.1 Internal Audit should be appropriately resourced to meet its objectives in terms of the number of staff, grades, qualifications, personal attributes and experience.

8.2 The PSIAS require the Chief Auditor to be professionally qualified and suitably experienced.

8.3 Risk assessment methodology is used to identify the level of audit coverage required to provide the annual internal audit opinion on the control environment.

8.4 A risk based annual Internal Audit plan is produced which matches the required audit coverage to the available resources. The plan is approved by the Audit Committee and the Chief Auditor is required to bring to the attention of the Committee the potential consequences of any shortfall in resources which may impact on the provision of the annual opinion.

8.5 The annual plan will be constantly reviewed during the year in response to any changes e.g. vacancies, new risks, frauds and special investigations.

8.6 Quarterly reports showing progress made against the annual plan and identifying any required changes to the plan will be presented to the Audit Committee.

## **9 Quality Assurance and Improvement Programme**

9.1 To ensure compliance with the PSIAS, the Chief Auditor must put in place a Quality Assurance and Improvement Programme (QAIP).

9.2 The QAIP must include both internal and external assessments of Internal Audit.

9.3 The internal assessment includes the ongoing supervision and review of work produced by Internal Audit staff as well as performance against targets and client feedback for each audit completed.

9.4 A periodic, internal self-assessment must also be undertaken to confirm compliance with the PSIAS.



- 9.5 The PSIAS also require an external assessment at least once every 5 years. The external assessment may either be a full assessment by a suitably qualified external assessor or a self-assessment with independent external validation.
- 9.6 The results of the QAIP must be included in the Chief Auditor's annual report to the Audit Committee. The report must highlight any areas of non-conformance with any significant areas of non-conformance being included in the Annual Governance Statement.

# Agenda Item 7

## Report of the Chief Auditor

Audit Committee – 12 June 2014

### FUNDAMENTAL AUDITS 2012/13 – RECOMMENDATIONS TRACKER UPDATE

<b>Purpose:</b>	This report provides an update on the recommendations made following the fundamental audits 2012/13 which had not been fully implemented when the Recommendations Tracker report was presented to the Audit Committee on 9 <sup>th</sup> January 2014.
<b>Policy Framework:</b>	None.
<b>Reason for Decision:</b>	To allow the Audit Committee to fulfil its role in monitoring the implementation of audit recommendations.
<b>Consultation:</b>	Legal, Finance.
<b>Recommendation(s):</b>	It is recommended that: -  1) the Committee reviews and discusses the progress in implementing the recommendations made following the fundamental audits 2012/13.
<b>Report Author:</b>	Paul Beynon
<b>Finance Officer:</b>	Paul Beynon
<b>Legal Officer:</b>	Sharon Heys
<b>Access to Services Officer:</b>	Sherrill Hopkins

#### 1. Introduction

- 1.1 The Recommendations Tracker report which identifies whether the recommendations which management had agreed to implement following the fundamental audits 2012/13 had been implemented was presented to the Audit Committee on 9<sup>th</sup> January 2014.
- 1.2 The report identified that around 76% of agreed recommendations had been implemented by 30<sup>th</sup> November 2013.
- 1.3 This report provides an update on implementation as at 31<sup>st</sup> March 2014.

## 2. Recommendations Tracker 2012/13 - Update

- 2.1 The January 2014 report identified the recommendations which had not been fully implemented as either partly implemented, not implemented or not yet due.
- 2.2 Appendix 1 shows, for each fundamental audit, the number of recommendations made following the 2012/13 audits and whether they have been implemented, partly implemented or not implemented as at 31<sup>st</sup> March 2014.
- 2.3 The following table provides a summary of the position on each of the 89 agreed recommendations as at 30<sup>th</sup> November 2013 and 31<sup>st</sup> March 2014

Recommendations	30 <sup>th</sup> November 2013		31 <sup>st</sup> March 2014	
	Number	%	Number	%
Implemented	68	76	79	89
Partly Implemented	6	7	3	3
Not Implemented	6	7	7	8
Not Yet Due	9	10	0	0
Total	89	100	89	100

- 2.4 Overall the implementation rate is now 89% with the only areas where recommendations are outstanding being Payroll and Accounts Receivable.
- 2.5 An analysis of the recommendations, which have been partly or not implemented over the classification of audit recommendations used by the Internal Audit Section, is attached in Appendix 2.
- 2.6 Appendix 3 provides the management explanation for the 10 recommendations which were not fully implemented by 31<sup>st</sup> March 2014. This shows that there are some recommendations where an implementation date early in 2014/15 is indicated and also instances where progress has been delayed due to other priorities mainly due to issues linked to the need to address the Council's significant budget deficit in future years.

## 3. Conclusion

- 3.1 It is disappointing that some recommendations arising from the 2012/13 fundamental audits remain outstanding but it is also necessary to recognise that the staff responsible for implementing the recommendations are also heavily involved in a number of projects linked to the Sustainable Swansea – fit for the future programme which is aimed at addressing the significant budget deficit faced by the Council.

3.2 Any outstanding recommendations will have been picked up during the 2013/14 fundamental audits and monitoring of their implementation will form part of the Recommendations Tracker exercise in the current year.

**4. Equality and Engagement Implications**

4.1 There are no equality and engagement implications associated with this report

**5. Financial Implications**

5.1 There are no financial implications associated with this report.

**6. Legal Implications**

6.1 There are no legal implications associated with this report.

**Background Papers:** Fundamental Audit Reports 2012/13

**Appendices:**

Appendix 1 – Fundamental Audits 2012/13 – Implementation of Recommendations

Appendix 2 – Fundamental Audits 2012/13 – Classifications of Recommendations

Appendix 3 – Fundamental Audits 2012/13 – Recommendations Tracker

**FUNDAMENTAL AUDITS 2012/13  
IMPLEMENTATION OF RECOMMENDATIONS**

Audit	Recommendations				Total No. of Recs.
	Implemented	Partly Implemented	Not Implemented	Not Yet Due	
Fixed Assets	6				6
Main Accounting	3				3
Housing & Council Tax Benefit	4				4
Cash	4				4
NNDR	1				1
Council Tax	3				3
Accounts Receivable	12	3	3		18
Accounts Payable	8				8
External Investments & Borrowing	3				3
Pension Fund Investments	0				0
Payroll	14		4		18
Pensions Admin	11				11
Teachers Pensions	5				5
Housing Rents	5				5
<b>Total</b>	<b>79</b>	<b>3</b>	<b>7</b>	<b>0</b>	<b>89</b>

**FUNDAMENTAL AUDITS 2012/13**  
**CLASSIFICATION OF RECOMMENDATIONS**

Audit	Partly Implemented				Not Implemented			
	HR	MR	LR	GPR	HR	MR	LR	GPR
Fixed Assets								
Main Accounting								
Housing & Council Tax Benefit								
Cash								
NNDR								
Council Tax								
Accounts Receivable		1	2			1	1	1
Accounts Payable								
External Investments & Borrowing								
Pension Fund Investments								
Payroll						2	1	1
Pensions Admin								
Teachers Pensions								
Housing Rents								
<b>Total</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>2</b>
<p>Key  HR - High Risk  MR - Medium Risk  LR - Low Risk  GPR - Good Practice Recommendation</p>								

FUNDAMENTAL AUDITS 2012/13  
RECOMMENDATIONS TRACKER

Report Ref	Recommendation	Class	Agreed Action/Comments	Responsibility For Implementation	Implementation Date	Action Taken
	<b>Payroll 2012/13</b>					
2.1	<b>Procedures and Manuals</b>					
2.1.1	Comprehensive procedure notes should be developed for all areas of ISiS used within the department	GPR	On going until the implementation of Single status when conditions are harmonised	Employee Services & Payroll Manager	March 2014	<b>Not yet due</b> <b>Update April 2014 - Not implemented.</b> This was planned for development following the Pay and Grading implementation, however has been put on hold whilst undertaking the Business Transformation Initiative
	<b>2.5 Amendments to Pay</b>					
	<b>Overtime</b>					
2.5.2	Overtime should be detailed on a daily basis on overtime forms	LR	Implementation of Single Status requires a "universal" timesheet which is currently being worked on	Employee Services & Payroll Manager	Single Status implementation	<b>Not yet due</b> <b>Update April 2014 - Not implemented.</b> An electronic timesheet has been developed which is scheduled to go-live in July 2014

FUNDAMENTAL AUDITS 2012/13  
RECOMMENDATIONS TRACKER

Report Ref	Recommendation	Class	Agreed Action/Comments	Responsibility For Implementation	Implementation Date	Action Taken
	<b>Payroll 2012/13 (cont)</b>					
2.5.5	<p><b>Authorised Signatories</b></p> <p>As noted previously the Authorised Signatory listing should be kept up to date</p> <p>Old signatory listings should be removed to ensure that only current ones are on file</p> <p>Staff should be familiar with the authorised signatories to ensure that records are only processed if appropriately approved (<b>Previous Report Recommendation</b>)</p>	MR	This issue needs to be communicated at CMT/HoS	Employee Services & Payroll Manager / Head of Human Resources	September 2013	<p><b>Not implemented</b> - updated signatory lists have been requested but not all departments have provided updated lists.</p> <p>Employee Services &amp; Payroll Manager needs to have further info on what lists are not available and/or out of date</p> <p><b>Update April 2014 - Not implemented</b></p>



FUNDAMENTAL AUDITS 2012/13  
RECOMMENDATIONS TRACKER

Report Ref	Recommendation	Class	Agreed Action/Comments	Responsibility For Implementation	Implementation Date	Action Taken
<b>Payroll 2012/13 (cont)</b>						
<b>2.10</b>	<b>Employee Access</b>					
2.10.3	A division of duties should be introduced to the system for all areas to ensure different users set up an employee record and enter the payment details	MR	This needs to be split between the HR and Payroll functions within the area.  Pay & Benefits Manager to take forward	Employee Services & Payroll Manager	March 2014	<b>Not yet due</b>  <b>Update April 2014 - Not implemented.</b> This has been put on hold until the Business Transformation Initiative has been completed and the full programme of admin processes and how they are to be delivered has been agreed.
<b>Accounts Receivable 2012/13</b>						
2.3.8	Issues regarding the recoverability of Lifeline debts need to be clarified	MR	HOF / AR to clarify way forward but this has to be in conjunction with Social Services and the relevant member.	AR / HOF	December 2013	<b>Not yet due</b>  <b>Update April 2014 - Not implemented.</b> A new debt recovery strategy has been agreed and will be implemented from 01/06/14.

FUNDAMENTAL AUDITS 2012/13  
RECOMMENDATIONS TRACKER

Report Ref	Recommendation	Class	Agreed Action/Comments	Responsibility For Implementation	Implementation Date	Action Taken
	<b>Accounts Receivable 2012/13 (cont)</b>					
2.3.9	Where overdue school debts are not paid, attention should continue to be given to ensure that these are recovered on a timely basis	MR	<p>List of outstanding invoices sent to the Group Accountant (Education) on a quarterly basis and these are disseminated to PSO's.</p> <p>However, statements have not been sent to Schools since January due to R12 issues. A change request has been raised with Capgemini who have passed this onto Oracle.</p>	AR / Education	Ongoing	<p><b>Partially implemented</b> - Quarterly lists are sent to Group Accountant (Education) but still unable to send statements to schools. Awaiting ICT solution involving Capgemini and Oracle which is currently being tested.</p> <p><b>Update April 2014 - Partially implemented.</b> This system error arose as a result of R12 issues and had to be referred to Oracle to address. The system fix has now been tested and is nearing completion to production. There have been data issues which have caused delays.</p>

FUNDAMENTAL AUDITS 2012/13  
RECOMMENDATIONS TRACKER

Report Ref	Recommendation	Class	Agreed Action/Comments	Responsibility For Implementation	Implementation Date	Action Taken
<b>Accounts Receivable 2012/13 (cont)</b>						
3.3	<b>Raising of Invoices</b>					
3.3.4	Any new stocks of invoices ordered should detail that interest may be charged on overdue debts. A policy decision will also need to be taken as to when and in what circumstances interest will be charged. There is functionality within the R12 version that would allow interest to be added to invoices.	GPR	(a) Pre-printed reverse of the invoice paper to include a statement saying interest may be charged at 8% (b) To be discussed with new Head of Finance	Senior Incomes Officer  Chief Treasury & Technical Officer	Implemented  March 2014	<b>Implemented</b>  <b>Not yet due</b>  <b>Update April 2014 - Not implemented.</b> Due to Capgemini development constraints this has been deferred
3.5.1	The segregation of duties risk either needs to be accepted by Management or alternative control considered	LR	The benefit of AR staff being able to receive payments greatly enhances the effectiveness of the process. Management will consult with audit to implement acceptable compensatory controls	Senior Incomes Officer	March 2014	<b>Not yet due</b>  <b>Update April 2014 - Not implemented.</b> Management controls will be considered in the light of pending re-structure therefore this development will be considered then.

FUNDAMENTAL AUDITS 2012/13  
RECOMMENDATIONS TRACKER

Report Ref	Recommendation	Class	Agreed Action/Comments	Responsibility For Implementation	Implementation Date	Action Taken
	<b>Accounts Receivable 2012/13 (cont)</b>					
3.7.4	This issue should be addressed when resources allow.	LR	Alternatives to current processes will be considered in consultation with the new HoF.	Senior Incomes Officer in conjunction with senior management as policy change decisions needed.	Ongoing	<p><b>Partially implemented</b> - an appraisal of a benchmark value of a debt below which it is uneconomical to pursue will be decided by March 2014</p> <p><b>Update April 2014 - Partially implemented.</b> This has been overtaken by events. Finance are currently assuming responsibility for collection and administration of Social Services debt which will involve implementing elements of the Oracle advanced collections module. As part of that implementation we will review all debt write off levels for all categories of debt.</p>

FUNDAMENTAL AUDITS 2012/13  
RECOMMENDATIONS TRACKER

Report Ref	Recommendation	Class	Agreed Action/Comments	Responsibility For Implementation	Implementation Date	Action Taken
	<b>Accounts Receivable 2012/13 (cont)</b>					
3.9.3	The production of such reports should be addressed when resources allow.	LR	When resources allow, the reports will be put into development	Senior Incomes Officer / Systems Accountant	March 2014	<b>Not yet due</b>  <b>Update April 2014 - Partially implemented.</b> It has not been possible to address this due to other work priorities but a report is being developed.

# Agenda Item 8

## Report of the Chair of Audit Committee

Audit Committee – 12 June 2014

### DRAFT AUDIT COMMITTEE ANNUAL REPORT 2013/14

<b>Purpose:</b>	This report provides the draft Audit Committee Annual Report 2013/14 municipal year.
<b>Policy Framework:</b>	None.
<b>Reason for Decision:</b>	To allow the Audit Committee to discuss, review and contribute to the draft Audit Committee Annual Report 2013/14 prior to the report being presented to Council.
<b>Consultation:</b>	Legal, Finance and Access to Services.
<b>Recommendation(s):</b>	It is recommended that: -  1) The Committee review and discuss the draft Audit Committee Annual Report 2013/14; 2) The Annual Report is presented to Council.
<b>Report Author:</b>	Paul Beynon
<b>Finance Officer:</b>	Paul Beynon
<b>Legal Officer:</b>	Sharon Heys
<b>Access to Services Officer:</b>	Sherill Hopkins

#### 1. Introduction

- 1.1 The Council is required, under the Local Government (Wales) Measure 2011, to have an Audit Committee which among other things must include at least 1 lay member.
- 1.2 The Measure requires the Audit Committee to review and scrutinise the Council's financial affairs, risk management, internal control and governance arrangements. It also requires the Committee to oversee the Council's internal and external audit arrangements and review its financial statements.
- 1.3 The work of the Audit Committee is structured so that the Committee can gain assurance over the areas identified above

- 1.4 This report describes the assurance that has been gained by the Audit Committee from various sources and also outlines a number of other areas where briefings have been provided to the Committee.

## 2. Committee Membership

- 2.1 The membership of the Audit Committee during 2013/14 is shown in the following table

Mr AM Thomas – Lay Member & Chair	Cllr G Owens
Cllr P Downing	Cllr JA Raynor
Cllr R Francis-Davies	Cllr RV Smith
Cllr PR Hood-Williams	Cllr DWW Thomas
Cllr L James	Cllr M Thomas – replaced by Cllr RA Clay 30/07/13
Cllr JW Jones – Vice Chair	Cllr LV Walton
Cllr PM Meara	

- 2.2 The Committee met on 11 occasions during 2013/14 with attendance over the course of the year being 76%

## 3. Internal Audit Assurance

- 3.1 The Audit Committee approved the Internal Audit Annual Plan and has also received quarterly monitoring reports from the Chief Auditor which show progress against the Annual Plan
- 3.2 The quarterly monitoring reports also identified any audits that received a 'moderate' or 'limited' level of assurance along with an outline of the issues which led to the audit receiving the negative assurance level.
- 3.3 The Internal Audit Annual Report 2012/13 was reported to the Audit Committee which included a review of actual work completed compared to the Annual Plan.
- 3.4 The Internal Audit Annual Report also included the Chief Auditor's opinion on the internal control environment which stated that based on the audit testing carried out reasonable assurance can be given that the systems of internal control are operating effectively and that no significant weaknesses were identified which would have a material impact on the Council's financial affairs.
- 3.5 The Internal Audit Annual Report of School Audits 2012/13 was presented to the Audit Committee. This report summarised the school audits undertaken during 2012/13 and identified some common themes identified across most school audits

#### **4. Annual Governance Statement 2012/13**

- 4.1 The draft Annual Governance Statement 2012/13 was presented to the Audit Committee prior to being reported to Cabinet for approval. This gave the Committee the opportunity to review and comment upon the Statement.

#### **5. Annual Statement of Accounts 2012/13**

- 5.1 The Council's external auditors, PwC provided a training/briefing session to the Audit Committee, which identified the issues that the Committee should be aware of when reviewing the Annual Statement of Accounts.
- 5.2 The Head of Finance and Delivery presented the draft Statement of Accounts 2012/13 for the Council and the Pension Fund to the Committee and answered a number of queries raised by members of the Committee.
- 5.3 Following the audit of the Statement of Accounts 2012/13, PwC on behalf of the Wales Audit Office presented its Audit of Financial Statements reports to the Audit Committee. The reports presented the details findings of the audit and stated that an unqualified audit report on the financial statements had been issued

#### **6. External Audit Assurance**

- 6.1 As well as the Audit of the Statement of Accounts reports mentioned above, the external auditors also provided assurance by presenting the following reports to the Audit Committee
- Annual Financial Outline 2012/13 – City and County of Swansea
  - Annual Financial Outline 2012/13 – City & County of Swansea Pension Fund
  - Internal Controls Report 2012/13
  - Annual Audit Letter 2012/13

#### **7. Implementation of Audit Recommendations**

- 7.1 An important role undertaken by the Audit Committee is monitoring the implementation of agreed audit recommendations arising from both internal and external audits.
- 7.2 The implementation of any Internal Audit recommendations arising from the annual fundamental audits is reported to the Audit Committee in the Recommendations Tracker report. For 2012/13, a number of recommendations remained outstanding when the Tracker report was presented and a further update is being presented to the Committee in June 2014



- 7.3 The implementation of any high or medium risk recommendations arising from non-fundamental audits is subject to follow up procedures by Internal Audit to confirm they have been implemented. The results of the follow ups are reported in the quarterly Internal Audit Monitoring Reports. During the year, this highlighted an issue with 1 primary school where concerns were expressed by the Committee and a number of briefings were provided by the Education Department Management Team to improve the understanding of the Committee on the responsibility for ensuring any audit recommendations made to schools are implemented.
- 7.4 The Internal Controls Report presented to the Audit Committee by the external auditors shows any recommendations made as a result of their work and the action taken by management to implement the recommendations.
- 7.5 A number of concerns were raised by the Audit Committee during the year regarding the management response to both internal and external audit recommendations. As a result, the Chair wrote to the Council's Directors Group asking that Heads of Service respond positively to audit recommendations and ensure that they are implemented within the agreed timescale.
- 7.6 A positive response was received from the Directors Group with audit recommendations now being an agenda item at monthly Directorate Performance and Financial Monitoring meetings.

## **8. Risk Management**

- 8.1 The Local Government (Wales) Measure 2011 makes the overview of risk management function of the Audit Committee
- 8.2 A briefing on risk management was received during the year but the Committee is conscious that it has not yet been able to obtain an appropriate level of assurance over risk management. However the Committee is also aware of recent management changes regarding responsibility for risk management within the Council and the Committee will review progress made in this area at its October 2014 meeting.

## **9. Briefings**

- 9.1 The Audit Committee also received a number of briefings during 2013/14 as noted below
- Housing Benefits Investigation Team - Annual Report 2012/13
  - National Fraud Initiative
  - Wales Audit Office Study – Local Authority Review of Governance
  - Council Tax Debt Collection
  - Swansea Local Service Board

- ICT Contact Governance Arrangements
- Celtic Marine Lease Negotiation
- Internal Audit Plan Methodology
- Coastal Project

## **10. Audit Committee – Performance Review**

10.1 The Audit Committee undertook a review of its performance during 2013/14 using a self assessment checklist published by CIPFA.

10.2 The outcome of the performance review was that the Committee felt that it was generally performing well measured against the checklist although a small number of issues were identified where improvements could be made to ensure that the Committee was following best practice. The issues, which will be addressed during 2014/15, are shown below

- The Committee's terms of reference did not match the model terms of reference published by CIPFA
- A formal annual report outlining the work of the Audit Committee is not produced.
- Training needs to be provided to new members of the Committee
- Greater assurance over risk management is required

10.3 It is intended that the review of performance will again be undertaken towards the end of the current municipal year.

## **11. Equality and Engagement Implications**

11.1 There are no equality and engagement implications associated with this report

## **12. Financial Implications**

12.1 There are no financial implications associated with this report.

## **13. Legal Implications**

13.1 There are no legal implications associated with this report.

**Background Papers:** None

**Appendices:** None



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Jack Straw  
Chief Executive  
City and County of Swansea Council  
Civic Centre  
Oystermouth Road  
Swansea  
SA1 3SN

Date

Pages

1 of 4

Dear Jack

## **2014-15 Performance Audit Work and Fees**

I am writing to confirm the programme of performance audit work at the City and County of Swansea Council for 2014-15 and the associated fee for that work. This work is delivered under the Local Government (Wales) Measure 2009 (the Measure), the Local Government Act 1999 and the Public Audit (Wales) Act 2013.

As you are aware we will be carrying out a Corporate Assessment this year as part of a four-year rolling programme of assessments at all Welsh councils. The Corporate Assessment will provide a position statement of the Council's capacity and capability to deliver continuous improvement. It will, by its nature, examine track record of performance and outcomes as well as examining the key arrangements that are necessary to underpin improvements in services and functions. We will publish a Corporate Assessment report that states whether the Auditor General believes that the Council is likely to comply with the requirements of the Measure. Carrying out the Corporate Assessment will not require any additional fee from the Council as it will be funded by Welsh Government grant to the Wales Audit Office.

In addition to the Auditor General's audit and assessment work under the Measure, we will undertake a programme of Local Government Studies as set out in the Auditor General's letter of 28 April 2014. These and the specific elements of our audit and assessment work are set out in the table below. Please note that each year's work programme and performance audit fee covers one cycle of Improvement Assessment work. However, as this work does not fit neatly within a period starting on 1 April and ending on 31 March, the delivery of the annual work programme may overlap financial years.

<b>WAO performance audit work 2014-15</b>	
<b>Improvement assessment work</b>	
<b>Corporate Assessment</b>	Review of the Council's capacity and capability to deliver continuous improvement
<b>'Improvement Plan' Audit</b>	Audit of discharge of duty to publish an improvement plan.
<b>'Assessment of Performance' Audit</b>	Audit of discharge of duty to publish an assessment of performance.
<b>Financial Management</b>	Financial position work focussing on financial health, the effectiveness of budget setting arrangements, financial governance systems and progress/track record in delivering on required savings.
<b>Governance</b>	To be integrated with the corporate assessment
<b>Performance Management</b>	To be integrated with the Corporate Assessment
<b>Local Government Studies</b>	
<b>Joined up working to address Health and Social Care demand – Independence of Older People.</b>	This study will focus on supporting older people to maintain their independence outside of the health and care system by assessing how effective ancillary services are at supporting them to live independently.

<b>Delivering with less – Leisure Services</b>	This study will track the levels of investment in leisure services over the last few years using the methodology developed for the 2013-14 delivering with less study on environmental health services.
<b>Financial position summary</b>	This study will summarise local work on councils' financial position and give an all-Wales picture of financial resilience.

The table below sets out our fees for performance audit work. The fee for April 2014 to March 2015 will be charged in equal instalments between April 2014 and March 2015. This fee includes performance audit work delivered on my behalf by PwC. If during the course of the audit and assessment any additional work is identified as being necessary, this may incur additional fees. Similarly should an issue arise of such importance that we consider a special inspection to be an appropriate response, we will charge an additional fee to conduct such an inspection.

<b>Performance Audit Fee April 2014 to March 2015</b>	<b>£</b>
Fee for performance audit work	107,550

In addition to the programme of work set out above the Wales Audit Office may be undertaking work at local government bodies in the course of our programme of value for money studies laid before the National Assembly for consideration by its Public Accounts Committee. As many of these studies cut across the boundaries between different parts of the Welsh public sector, they will often be relevant to our work in local government. This work is funded separately by the Welsh Government consolidated fund and therefore does not incur a fee.

The Auditor General also has a duty under the Measure in relation to the coordination of the regulatory functions of the Wales Audit Office and relevant regulators, those being the Appointed Auditor; the Care and Social Services Inspectorate Wales (CSSIW); Estyn; and the Welsh Language Commissioner. The range of performance audit work that the Wales Audit Office and relevant regulators will carry out will be set out in more detail in a Work Plan and Timetable (WP&T) which will be reviewed every quarter.

We will publish a Corporate Assessment report incorporating the Annual Improvement Report for the Council summarising our work and that of relevant regulators, and will issue reports (and/or letters) setting out the findings of audit and assessment work. As required by the Measure, these will be copied to Welsh Ministers. We will also provide local feedback on our Studies. As some of our studies are only carried at a selection of authorities, you may not receive a local report: instead we will publish a national report, the recommendations of which will apply to all local authorities. Where appropriate, both our improvement studies and national work may result in shared learning seminars or other outputs.

Should you wish to discuss any element of this work please do not hesitate to contact me or Steve Barry ([steve.barry@wao.gov.uk](mailto:steve.barry@wao.gov.uk)) or Helen Keatley ([Helen.keatley@wao.gov.uk](mailto:Helen.keatley@wao.gov.uk)).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jane Holownia', written in a cursive style.

Jane Holownia

WAO Group Director

## Report of the Head of Finance & Delivery

Audit Committee – 12 June 2014

### AUDIT COMMITTEE – WORKPLAN

<b>Purpose:</b>	This report details the Audit Committee Workplan to May 2015.
<b>Report Author:</b>	Paul Beynon
<b>Finance Officer:</b>	Paul Beynon
<b>Legal Officer:</b>	Sharon Heys
<b>Access to Services Officer:</b>	Sherill Hopkins

#### FOR INFORMATION

#### 1. Introduction

- 1.1 The Audit Committee's Workplan to May 2015 is attached in Appendix 1 for information

#### 2. Equality and Engagement Implications

- 2.1 There are no equality and engagement implications associated with this report.

#### 3. Financial Implications

- 3.1 There are no financial implications associated with this report.

#### 4. Legal Implications

- 4.1 There are no legal implications associated with this report

**Background Papers:** None

**Appendix 1** – Audit Committee Workplan 2014/15

## AUDIT COMMITTEE WORKPLAN 2014/15

Date of Meeting	Reports
12 <sup>th</sup> June 2014	Internal Audit Charter Recommendations Tracker 2012/13 – Update Wales Audit Office Performance Audit Work 2014/15 Audit Committee Annual Report 2013/14 Coastal Report
10 <sup>th</sup> July 2014	Internal Audit Monitoring Report Q4 2013/14 Draft Statement of Accounts 2013/14
7 <sup>th</sup> August 2014	Draft Annual Governance Statement 2013/14 Internal Audit Annual Report 2013/14 Annual Report of School Audits 2013/14 Internal Audit Monitoring Report Q1 2014/15
4 <sup>th</sup> September 2014	Education Briefing – Schools Delegation Housing Benefit Investigation Team Annual Report 2013/14 Wales Audit Office National Report – Local Authority Review of Governance Wales Audit Office Performance Audit – Mid Term Report
2 <sup>nd</sup> October 2014	Audited Statement of Accounts 2013/14 PwC ISA 260 Report 2013/14
30 <sup>th</sup> October 2014	Risk Management Half Yearly Review 2014/15
27 <sup>th</sup> November 2014	Internal Audit Monitoring Report Q2 2014/15 Recommendations Tracker Report 2013/14 PwC Controls Report 2013/14 PwC Annual Audit Letter 2013/14
15 <sup>th</sup> January 2015	Audit Committee Review of Performance 2014/15
12 <sup>th</sup> February 2015	Internal Audit Monitoring Report Q3 2014/15
12 <sup>th</sup> March 2015	Internal Audit Annual Plan 2015/16 Risk Management Annual Review 2014/15
9 <sup>th</sup> April 2015	PwC Annual Financial Audit Outline 2014/15