

# **CITY AND COUNTY OF SWANSEA**

## **MINUTES OF THE AUDIT COMMITTEE**

**HELD AT COMMITTEE ROOM 1, CIVIC CENTRE, SWANSEA ON  
THURSDAY, 7 AUGUST 2014 AT 4.00 PM**

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

<b>Councillor(s)</b>	<b>Councillor(s)</b>	<b>Councillor(s)</b>
R A Clay P Downing P R Hood-Williams	L James J W Jones	JA Raynor L V Walton

### **Officers:**

M Hawes	-	Head of Finance and Delivery
P Beynon	-	Chief Auditor
D Smith	-	Directorate Lawyer
J Parkhouse	-	Democratic Services Officer

### **ALSO PRESENT:**

D Driffield	-	Chief Social Services Officer
C Prior	-	Coastal Regional Project Manager
R Nelson	-	PricewaterhouseCoopers

### 13 **APOLOGIES FOR ABSENCE.**

Apologies for absence were received from Councillors R Francis-Davies, P M Meara and R V Smith.

### 14 **DISCLOSURES OF PERSONAL AND PREJUDICIAL INTERESTS FROM MEMBERS.**

In accordance with the Code of Conduct adopted by the City and County of Swansea, no interests were declared.

### 15 **MINUTES.**

**RESOLVED** that the Minutes of the meeting of the Audit Committee held on 12 June 2014 be accepted as a correct record.

### 16 **COASTAL PROJECT - UPDATE REPORT.**

The Chief Auditor presented a report which provided further information on the Coastal Project, in particular, the evaluation of the project by Wavehill.

It was outlined that Wavehill were commissioned to provide an external evaluation of the Coastal Project and their remit was to provide a formative evaluation with a series of progress reports over the course of the project and a final summary report at project closure. To date, four reports have been produced and an extract of the second Wavehill report was provided at Appendix 2 of the report showing relevant comments and recommendations. Details of the involvement of WEFO were also outlined in the report. It was outlined that the Coastal Regional Project Director had stated that the Corporate Director (Social Services) and Head of Adult Services would have received a copy of the Wavehill report. The Regional Project Director also stated that he personally discussed the risk to funding with the Corporate Director (Social Services) during regular informal meetings which were not minuted. It had also been confirmed that the findings of the Wavehill report were not escalated outside the Social Services Directorate. However, the Regional Project Director had outlined a series of actions in response to the report's findings and these were provided within the report.

It was concluded that the fundamental question arising from the original investigation was whether the risk to funding imposed by WEFO in August 2013 could have been identified sooner. The Wavehill report shows that the risk was identified in October 2011 but that no action was taken to escalate this risk outside of the Social Services Directorate until August 2013, in response to WEFO changing the terms and conditions of the grant.

A detailed and frank discussion followed and Members asked a number of questions of the Chief Social Services Officer and the Coastal Regional Project Director who responded accordingly.

**RESOLVED** that

(1) the contents of the report be noted

(2) a copy of the final Wavehill evaluation report be reported to the Audit Committee when available.

17 **DRAFT STATEMENT OF ACCOUNTS 2013/14.**

The Section 151 Officer presented the Draft Statement of Accounts for 2013/14 for information and review. It was outlined that the Draft Accounts had been prepared and signed by the Section 151 Officer on 30 June 2014 and a copy was provided at Appendix A to the report. The Accounts had been formally presented to the Council's Auditors, PricewaterhouseCoopers, who had commenced the audit of the Accounts. As part of the audit process, the Accounts will be made available for inspection by the public for a four week period during August and September 2014.

It was outlined that the form and content of the Accounts was largely set out in the CIPFA Code of Practice which forms the basis of best practice in accordance with legislation. Legislation requires that by 30 September 2014 the Accounts must be audited and approved by Council.

The Committee asked a number of questions of the Section 151 Officer who responded accordingly and agreed to provide a written response to a question regarding corporate and democratic core.

The PricewaterhouseCoopers Representative explained that a verbal update regarding the progress of the audit of the accounts will be provided at the next meeting.

**RESOLVED** that the Draft Statement of Accounts be noted.

18 **DRAFT ANNUAL GOVERNANCE STATEMENT 2013/14.**

The Chief Auditor presented a report which provided the Draft Annual Governance Statement 2013/14. It was outlined that the Annual Governance Statement should report publicly on the extent to which the Council had complied with its own Code of Governance on an annual basis, including how it had monitored and evaluated the effectiveness of the governance arrangements in the year and on any planned changes in the coming period. The process of preparing the Annual Governance Statement should itself add value to the effectiveness of the Corporate Governance and Internal Control Framework.

The Draft Annual Governance Statement 2013/14 was provided at Appendix 1 of the report and had been subject to consultation with the Executive Board. The final version of the Annual Governance Statement would be reported to Cabinet in September 2014 for approval before being signed by the Chief Executive and Leader and published with the Audited Statement of Accounts 2013/14.

The Committee asked a number of questions of the Chief Auditor who responded accordingly.

**RESOLVED** that:

(1) the Draft Annual Governance Statement 2013/14 be noted;

(2) the Risk Management Half Yearly Review 2014/15 be reported to the meeting scheduled for 30 October 2014.

19 **INTERNAL AUDIT ANNUAL PLAN 2013/14 - MONITORING REPORT FOR THE PERIOD 1ST JANUARY 2014 TO 31ST MARCH 2014.**

The Chief Auditor presented the report which showed the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 January 2014 to 31 March 2014.

It was outlined that a total of 65 days were lost in quarter 4 due to vacancies. A total of 14 audits were finalised during the quarter and these were provided at Appendix 1 which also provided the level of assurance given at the end of the audit and a number of recommendations made and agreed. A summary of the assurance levels for each of audit finalised during quarter 4 was also provided.

A total of 89 audit recommendations were made and management agreed to implement all recommendations made. Details of the significant issues which led to YGG Tirdeunaw audit being considered to be moderate were provided and it was added that there were other less significant findings also included in the Final Audit Report issued to the Headteacher and Chair of the Governing Body. A Management Action Plan had been agreed with the Headteacher which included a series of recommendations to address the issues provided. A follow-up audit would be arranged within 6 months of the Final Report being issued to confirm that the agreed recommendations had been implemented.

It was added that a follow-up of the Social Services Debt Recovery Audit which had received a moderate level of assurance was completed during quarter 4 and it was found that substantial progress had been made in implementing the agreed recommendations.

Members asked questions of the officer who responded accordingly.

**RESOLVED** that

(1) the contents of the report be noted.

(2) the Chair writes to the Chief Education Officer to express the Committee's concerns regarding the audit of YGG Tirdeunaw.

20 **AUDIT COMMITTEE - WORKPLAN.**

The Audit Committee Work Plan was provided for information.

21 **DATE OF NEXT MEETING - THURSDAY, 4 SEPTEMBER 2014.**

**NOTED** that the next meeting be scheduled for 4.00 p.m. on Thursday 4 September 2014.

The meeting ended at 6.20 pm

**CHAIR**