

CITY AND COUNTY OF SWANSEA

MINUTES OF THE AUDIT COMMITTEE

**HELD AT COMMITTEE ROOM 1, CIVIC CENTRE, SWANSEA ON
THURSDAY, 30 OCTOBER 2014
AT 3.00 PM**

PRESENT: Mr A M Thomas (Chair) presided

Councillor(s)	Councillor(s)	Councillor(s)
R A Clay P Downing P R Hood-Williams	L James J W Jones	D W W Thomas L V Walton

ALSO PRESENT:

D Hanley-Crofts - Pricewaterhouse Coopers

Officers:

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

39 **APOLOGIES FOR ABSENCE.**

Apologies for absence were received from Councillors A M Cook and D Phillips.

40 **DISCLOSURES OF PERSONAL AND PREJUDICIAL INTERESTS.**

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

41 **MINUTES.**

RESOLVED that the Minutes of the Meeting of the Audit Committee held on 2 October 2014 be agreed as a correct record. The Committee were updated on the following:

Internal Audit Annual Report 2013/14

The Chief Auditor stated that he will be discussing performance indicators at the Chief Auditor's Meeting for Wales on 7 November 2014.

Annual Report on School Audits 2013/14

The Chief Auditor reported that the amount spent by schools on the procurement of goods and services was £20m per year. It was queried whether schools use the City and County of Swansea Contract Procedure Rules and requested the percentages of schools that do not. It was confirmed that schools must comply with the Authority's Council Procedure Rules but do not have to use any Corporate Contracts negotiated by the Authority. However, where Corporate Contracts are not used then schools are required to undertake pre-engagement checks on suppliers, e.g. insurance cover, DBS compliance, etc.

It was further queried whether schools were using the Welsh Purchasing Consortium for services and the role of the Education Procurement Officer in the process.

42 BRIEFING - COUNCIL TAX SINGLE PERSON DISCOUNT.

The Head of Finance and Delivery provided a detailed and informative presentation regarding Council Tax Single Person Discount. Details provided included:-

- Background details.
- How the service works.
- Tailored SPD (Single Person Discount) Review Service.
- Review.
- Targeted accounts.
- Potential revenue.
- Work in progress.
- Summary and conclusions.

It was added that the Authority had 38,812 properties claiming Single Person Discount which is 35% of all properties. The review of those properties claiming Single Person Discount had highlighted 6,905 which required further work. 1,367 had potentially agreed to cancel their Single Person Discount due to their personal circumstances and this had raised approximately £224,000 for the Authority.

The Committee asked a number of questions of the Officer who responded accordingly. Details discussed included:-

- The process of contacting households that were claiming Single Person Discount;
- The information supplied to Data Tank in order to undertake the necessary checks on properties;
- The importance of not preventing genuine applicants applying for Single Person Discount;
- Work undertaken by Fraud Officers within the Finance Department;
- Use of a similar exercise in the future.

RESOLVED that:

- (1) the contents of the presentation be noted;
- (2) a follow-up report be provided in the future;
- (3) the Head of Finance and Delivery circulates details of the presentation to the Committee.

43 **INTERNAL AUDIT ANNUAL PLAN 2014/15 MONITORING REPORT FOR THE PERIOD 1 APRIL 2014 TO 30 JUNE 2014.**

The Chief Auditor presented the Internal Audit Plan 2014/15 - Monitoring Report for the period 1 April 2014 to 30 June 2014. The report detailed the audits finalised and any other work undertaken by the Internal Audit Section. It was added that a total of 21 audits were finalised during quarter 1 and these were listed at Appendix 1 which also showed the level of assurance given at the end of the audit and the number of recommendations made and agreed.

The Committee asked questions of the Officer who responded accordingly. The key issues arising from discussions included:-

- The reasons for a moderate assurance level provided for the Accounts Receivable Section;
- Raising and recovery of social care and school debts;
- Authorisation of starter forms by Human Resources staff and the need for moving to computerised systems in future;
- The reasons for a moderate assurance level for the audit on Seaview Primary School.

RESOLVED that the contents of the report be noted.

44 **RISK MANAGEMENT UPDATE.**

The Head of Finance and Delivery presented a report which sought to update the Committee on the process of risk management, reporting and mitigation across the Council.

The report detailed the risk management process that currently exists within the City and County of Swansea. It also identified the organisational levels of risk as identified and recorded together with the reporting and review arrangements that are undertaken to ensure currency of risk issues. The report further identified the structure of the current risk registers and the additional ways that risk is reported as part of the corporate decision-making process.

Members asked questions of the Officer who responded accordingly. Details of the discussions included:-

- Equal pay payments;
- Pay awards;

- Job evaluation appeals;
- Sustainable Swansea work stream savings;
- Areas of spend around Social Services, particularly Adult Services and Mental Health Services;
- Key areas of Education spend around out of school tuition;
- Reduction in employment training grants.

It was added that details of partnership working will be reported in the Annual Governance Statement which was planned for quarter 1 in 2015.

RESOLVED that the contents of the report be noted.

45 **AUDIT COMMITTEE WORK PLAN.**

The updated Audit Committee Work Plan was provided for information.

The Committee requested that the following be added to the Work Plan:

- Procurement in schools;
- Auditing of Section 106 Planning Agreements.

The PwC representative added that the PwC Controls Report 2013/14 and PwC Annual Audit Letter 2013/14 will be reported to the meeting scheduled for 27 November 2014.

RESOLVED that:

- (1) the contents of the report be noted;
- (2) Procurement in schools and Auditing of Section 106 Planning Agreements be added to the Work Plan.

46 **DATE OF NEXT MEETING - 3 P.M. ON THURSDAY, 27 NOVEMBER 2014.**

NOTED that the next meeting be held at 3.00 p.m. on Thursday 27 November 2014.

The meeting ended at 4.20 pm

CHAIR