

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 February 2015

Time: 3.00 pm

AGENDA

	Page No.
1 Apologies for Absence.	
2 Disclosures of Personal and Prejudicial Interests.	1 - 2
3 Minutes. To approve the Minutes of the meeting of the Audit Committee held on 15 January 2015.	3 - 9
4 Wales Audit Office Performance Audit Update.	10 - 11
5 Internal Audit Annual Plan 2014/15 - Monitoring Report for the Period 1st October 2014 to 31st December 2014.	12 - 17
6 Internal Audit Annual Plan - Methodology.	18 - 26
7 All Wales Audit Committee Chairs Group Update. (Verbal)	
8 Scrutiny Programme Committee Work Programme. (For Information)	27 - 43
9 Audit Committee Work Plan. (For Information)	44 - 46
10 Next Meeting - 3 p.m. on Thursday, 12 March 2015.	



Patrick Arran
Head of Legal, Democratic Services & Procurement
Wednesday, 4 February 2015

Contact: Jeremy Parkhouse: - 01792 636016

AUDIT COMMITTEE (12)

Lay Member:

Name:

Term of Office:

Mr Alan M Thomas (Chair)	27.11.12 – 04.05.2017
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Councillors:

Labour Councillors: 8

Bob A Clay	D Phillips
A M Cook	Robert V Smith
Phil Downing	Des W W Thomas
Geraint Owens	Lesley V Walton

Liberal Democrat Councillors: 2

Jeff W Jones (Vice Chair)	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
Debbie Smith	Directorate Lawyer
Dave Mckenna	Overview & Scrutiny Manager
Sharon Heys	Principal Lawyer
Richard Rowlands	Business Performance Manager
Patrick Fletcher	Communications
PricewaterhouseCoopers	External Auditors
Councillor M H Jones	Chair of Scrutiny Programme Committee –
Archives	
Democratic Services	
Spares	

Total Copies Needed:

32

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 MEETING OF THE AUDIT COMMITTEE

HELD AT COMMITTEE ROOM 1, CIVIC CENTRE, SWANSEA ON THURSDAY 15 JANUARY 2015 AT 3.00 P.M.

PRESENT: Mr A M Thomas (Independent Chair) presided

Councillor(s):

R A Clay
P Downing
P R Hood-Williams

Councillor(s):

L James
P M Meara
D Phillips

Councillor(s):

R V Smith
D W W Thomas

Officers:

M Hawes - Head of Finance and Delivery
P Beynon - Chief Auditor
C Howell - Head of Waste Management
D Smith - Directorate Lawyer
L Morgan - Category Manager
J Parkhouse - Democratic Services Officer

ALSO PRESENT:

R Nelson - PricewaterhouseCoopers

55. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors A M Cook, J W Jones and L V Walton.

56. **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 Downing - Minute No. 58 - Waste Management Audit - Head of Service Briefing and Minute No. 60 - Annual Audit Letter - City and County of Swansea 2013/14 - Member of LAWDC in respect of Minute No. 58 - personal and Member of the Pension Fund Committee in respect of Minute No. 60 - personal.

57. **MINUTES**

RESOLVED that the Minutes of the Meeting of the Audit Committee held on 27 November 2014 be agreed as a correct record, subject to the following amendments:

Minutes of the Meeting of the Audit Committee (15.01.2015) Cont'd

Minute No. 50 - Report of the Wales Audit Office - Report of Deficiencies of Internal Controls - City and County of Swansea - paragraph 3, sentence 3 to be amended as follows:

"It was found that all of the fifteen recommendations raised in the prior years had been implemented."

Amend Resolution (4) as follows:

"In future, schools be requested to provide bank balances as at 31 March or prior to the Easter holidays, where necessary."

The Committee discussed the following matters:

Section 106 Agreements

Members queried why an interim report regarding Section 106 Agreements was not included in the agenda pack or the Audit Committee Work Plan.

The Chief Auditor explained that the internal audit of Section 106 Agreements had been completed and details will be reported to the Committee as part of the Internal Audit Monitoring Report Quarter 4 - 2014/15.

Members commented that a Cabinet Advisory Committee was looking into Section 106 Agreements and it was important to avoid duplication of work but also to ensure that this topic is investigated.

Journals

Members sought a further explanation regarding journals. The Head of Finance and Delivery provided a detailed explanation which was supported by the PricewaterhouseCoopers representative. It was explained that basically a journal entry is the moving of a transaction between codes within the Authority and an incorrect journal could affect the end of year figures. There was no cash involved however, transactions could be numerous.

RESOLVED that the Head of Finance and Delivery provide a summary report which (1) identifies risk and (2) monitors and reduces risk.

58. **WASTE MANAGEMENT AUDIT - HEAD OF SERVICE BRIEFING**

The Head of Waste Management provided a detailed and informative briefing which explained the significant budget overspends that were highlighted in the Internal Audit Annual Plan 2014/15 - Monitoring Report for the period 1 July 2014 to 30 September 2014.

He highlighted the previous failings identified with the LAWDC Waste Disposal Company in 2011/12 which put it at risk of closure. It was added that the Authority had then worked very closely with LAWDC and formed an action plan and the company was transferred 'in house' to the Authority in 2013. A City and County of Swansea employee was appointed manager.

It was explained that there were overspends within the company relating to work contained in the action plan. The overspends were affected when the Tir John site closed and the Authority had to dispose waste at other landfill sites. Additional costs were also incurred concerning third party waste being placed on hold and introducing sorting works for improving recycling. He confirmed that these were the main reasons for the overspend.

The Committee asked a number of questions of the officer who responded according. Discussions centred around the following:

- Facilities and performance had improved during the last 15 months.
- A partner organisation is being engaged at Tir John as it was a specialised area of work. The operation of the works had dovetailed well and the recycling and budget target figures were being met.
- The Authority had entered into a partnership because additional expertise was required at the Tir John site in order to expand and manage the capping and closure of the site.
- The key risks in Waste Management include penalty charges imposed for not hitting recycling targets and exceeding the landfill allowance. The penalty is £200 per tonne which is £228,000 per 1% missed.
- The Authority was working on a regional basis with other Authorities regarding extracting energy from waste. The options available for the future were outlined and the Welsh Government preference to keep contracts and jobs local. However, this was driven by cost.

Minutes of the Meeting of the Audit Committee (15.01.2015) Cont'd

- The options available in future when the Tir John site closes.
- The Authority is on target to achieve 56% of all municipal waste being recycled this year and the 58% recycling target next year. The Council is currently tenth in the table from 22 Local Authorities in Wales, which is up from being in the bottom three two years ago.
- The reduction in carrier bags has had a noticeable impact on waste. Pressure needed to be placed upon food producers to reduce packaging and the situation regarding collections from supermarkets by the Authority was outlined. The main contributors to recycling are food and garden waste.
- The reluctance of people to recycle when out in fast food outlets despite the efforts of food establishments to encourage recycling.
- The need to work with landlords and tenants, especially in respect of HMO properties.
- A key risk to the Authority was the age of the recycling fleet which required replacing.
- The money saved from recycling could be used to source jobs and services within the Authority.
- The incredible volatility of the recyclables industry causes great difficulty in budgeting and planning for the future.

The Chair thanked the officer for providing a comprehensive briefing.

RESOLVED that:

- (1) the contents of the briefing be noted;
- (2) the Head of Waste Management provides a further briefing to the Committee in the future.

59. **PROCUREMENT BY SCHOOLS - BRIEFING**

The Category Manager provided a detailed and informative briefing to the Committee regarding schools procurement. Details included in the presentation contained the following:

- Summary.
- Issues.

Minutes of the Meeting of the Audit Committee (15.01.2015) Cont'd

- Current services provided under SLA.
- Progress to date.
- Future proposals.

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

- The requirement for schools to comply with contract procedure rules.
- Current services provided under Procurement service level agreements.
- The limited control the Authority had over delegated budgets to schools and the limited sanctions available to the Authority when contract procedure rules are broken.
- The responsibility within schools lies with the Headteacher and Governing Body and training has been offered to schools and governing bodies covering all aspects of procurement.
- The use of the Authority's services, e.g. Design Print through service level agreements, and those services not covered by Procurement service level agreements.
- The lack of awareness of contract procedure rules within schools, the poor response to the last training session and the need to possibly escalate this to Head of Service level in order to take action.
- It was queried whether Chairs of Governors were receiving all the correspondence and information required from Headteachers.
- The need to invite Headteachers/School Governors to future meetings in order to explain the situation and to inform them that current practices of ignoring contract procedure rules and service level agreements was not acceptable.

Members proposed that the Officer briefs the Cabinet Member for Education regarding the situation.

RESOLVED that:

- (1) the contents of the presentation be noted;

- (2) the Category Manager confirms if service level agreements apply to schools;
- (3) the presentation provided be circulated to Committee Members;
- (4) the Category Manager brief the Cabinet Member for Education regarding the situation;
- (5) the Acting Chief Education Officer be invited to the next meeting of the Committee to respond to the issues raised in the presentation.

60. **ANNUAL AUDIT LETTER - CITY AND COUNTY OF SWANSEA 2013/14**

The PricewaterhouseCoopers representative presented the Annual Audit Letter - City and County of Swansea 2013/14. The Letter summarised the key messages arising from the statutory responsibilities under the Public Audit (Wales) Act 2004 as the appointed auditor and the reporting responsibilities under the Code of Audit Practice.

The Letter outlined the following:

- The Council complied with its responsibilities relating to financial reporting and use of resources.
- The appointed auditor was satisfied that the Council had appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources.
- The appointed auditor had not yet issued a certificate confirming that the audit of accounts had been completed.
- The work of the appointed auditor to date on certification of grant claims and returns had not identified significant issues that would impact on the 2014/15 accounts or key financial systems.

RESOLVED that the contents of the Letter be noted.

61. **UPDATE REGARDING 2013/14 AUDIT COMPLETION CERTIFICATE**

The PricewaterhouseCoopers representative reported that a certificate had not yet been issued confirming that the audit of the accounts had been completed. It was outlined that when the audit opinion was issued on 30 September 2014, it was not able to issue a certificate confirming that the audit of the accounts had been completed because

the Pension Fund's Annual Report had not been finalised. On 26 November 2014, the Appointed Auditor issued an unqualified opinion with regard to the consistency of the accounting statement with the Pension Fund's - Annual Report. A certificate confirming that the audit of accounts had been completed is to be issued following the Council's approval of the accounting statements, in accordance with Regulation 11 of the Accounts and Audit (Wales) Regulations.

RESOLVED that the update be noted.

62. **AUDIT COMMITTEE ANNUAL REVIEW OF PERFORMANCE 2014/15**

The Chair referred to the Chartered Institute of Public Finance and Accountancy (CIPFA) Toolkit issued to Members prior to Christmas 2014, as a means to review performance and progress during the municipal year. He added that annual self-assessment of the Committee's achievements is very good practice. He requested that Members submit their self-assessment forms and the responses will be summarised in the Annual Audit Committee Review Report.

63. **AUDIT COMMITTEE WORK PLAN**

The Audit Committee Work Plan to May 2015 and Outline Work Plan for 2015/16 were provided for information.

64. **DATE OF NEXT MEETING - THURSDAY 12 FEBRUARY 2015**

NOTED that the next meeting of the Audit Committee be held at 3.00 p.m. on Thursday 12 February 2015.

The meeting ended at 4.50 p.m.

CHAIR

CITY AND COUNTY OF SWANSEA

Wales Audit Office performance audit programme 2014-15

Improvement Assessment 2014-15	Output	Status
Corporate Assessment	Local Report	Site work completed November 2014. WAO supported by PWC. Drafting report and consolidating evidence
Improvement Planning	Certificate to confirm compliance with LG Measure	Audit of Council's Improvement Plan undertaken early June Certificate of compliance issued 27 th June 2014.
Performance Reporting	Certificate to confirm compliance with LG Measure	Audit of Council's Annual Report 2013/14 to take place in October/November 2014 Certificate of compliance issued 18 th November 2014
Local Government All Wales /National Studies 2014/2015	Output	Status
Financial Position Assessment To assess whether authorities have robust approaches in place to manage the budget reductions to secure a stable financial position that enable them to continue to operate for the foreseeable future	National Report and Local Summary	Final local report issued to Council 12 th January 2015. Will be included in the Corporate Assessment Report Drafting National Report
Delivering with less – A study involving all 22 local authorities to answer the headline question: Are councils effectively delivering their leisure and recreation services with fewer resources? The focus of the study is on tracking changes in leisure service provision in the last decade.	National Report	In progress - Work to be delivered by WAO, PwC and KPMG.

Local Government All Wales /National Studies 2014/2015 (continued)	Output	Status
Independence of older people Are Councils working effectively to minimise demand for social care and health services for older people and supporting them to live independently?	National Report	In Progress: Review is being delivered by PwC. Swansea has not been selected as a fieldwork site
Regional Education Consortia Alongside Estyn's 'thematic survey report to evaluate work of regional school improvement service. Purpose of Study is to assess whether the Welsh Government's arrangements for regional consortia are likely to deliver the intended improvement in support to schools and local authorities.	Findings will be reported to the Welsh Government Public Accounts Committee	In Progress: Site work timing – Visits to Consortium 8-11 December 2014.
Local Government All Wales /National Studies 2013/2014	Output	Status
Safeguarding	National and Local Summary	Local Safeguarding report finalised and published early November 2014. National report being drafted
Whistleblowing Governance framework.	National report	Paragraphs issued to Council 17 th October 2014 for information They will be incorporated in Corporate Assessment Report
Impact of Welfare Reform on social housing	National Report, shared learning event.	National Report published 5 th January 2015 (link to WAO website below). No local output available for this review. http://www.wao.gov.uk/publication/managing-impact-welfare-reform-changes-social-housing-tenants-wales
Delivering with less – the impact on Environmental Health Services and citizens	National Report and Local Summary feedback	National Report was published 28 th October 2014 ((link to WAO website below) local summaries published shortly after. http://www.wao.gov.uk/publication/delivering-less-%E2%80%93-impact-environmental-health-services-and-citizens

S Barry, Wales Audit Office Manager. Local Government South Region: 3rd February 2015

Agenda Item 5

Report of the Chief Auditor

Audit Committee – 12 February 2015

INTERNAL AUDIT ANNUAL PLAN 2014/15 MONITORING REPORT FOR THE PERIOD 1st OCTOBER 2014 TO 31st DECEMBER 2014

Purpose:	This report shows the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 st October 2014 to 31 st December 2014.
Policy Framework:	None
Reason for Decision:	To allow the Audit Committee to discuss and monitor progress against the Internal Audit Annual Plan 2014/15
Consultation:	Legal, Finance, Access to Services.
Recommendation(s):	It is recommended that: the Committee review and discuss the work of the Internal Audit Section and note the contents of this report
Report Author:	Paul Beynon
Finance Officer:	Paul Beynon
Legal Officer:	Sharon Heys
Access to Services Officer:	Sherill Hopkins

1. Introduction

- 1.1 The Internal Audit Annual Plan 2014/15 was approved by the Audit Committee on 24th April 2014 and quarterly monitoring reports have been presented throughout the year to allow Committee to review and comment upon the progress of the Internal Audit Section in achieving the Annual Plan.
- 1.2 This report shows the audits which were finalised in the period 1st October 2014 to 31st December 2014.

2. Audits Finalised 1st October 2014 to 31st December 2014

2.1 A total of 101 days were lost in Quarter 3 due to the following vacancies.

- A Senior Auditor post was vacant until 10th November 2014 when it was filled by the promotion of an Auditor
- The promoted Auditor's post remained vacant from 10th November onwards
- A part time auditor post was vacant throughout the quarter

2.2 A total of 21 audits were finalised during Quarter 3. The audits finalised are listed in Appendix 1 which also shows the level of assurance given at the end of the audit and the number of recommendations made and agreed.

2.3 An analysis of the audits finalised during the 3rd quarter is shown in the following table

Assurance Level	High	Substantial	Moderate	Limited
Number	4	17	0	0

2.4 A total of 180 audit recommendations were made and management agreed to implement all recommendations made i.e. 100% against a target of 98%.

2.5 In addition, the Internal Audit Section also certified the following grant as required by the terms and conditions of the grant issued by the Welsh Government.

Grant	Amount £
Supporting People Programme Grant 2013/14	14,628,115

2.6 It was found that the grant had been spent in accordance with the purpose of the grant and that only eligible expenditure was included.

2.7 The quarterly Internal Audit Monitoring Reports presented to the Audit Committee over the course of 2014/15 have all identified a loss of productive days due to vacancies and secondments.

2.8 To the end of December 2013, a total of 375 days had been lost due to vacancies and secondments and there are currently 2.6 vacant Auditor posts although one post is covered by an agency auditor.

2.9 The level of vacancies has to be viewed in the light of the significant funding difficulties facing the Council and, in particular, the stated policy of the Council to minimise any risk of compulsory redundancies. The management of vacancies and timing of appointments is crucial in this

respect. Given the current and projected funding position of the Council going forward, it is essential that scarce audit resource is focused in the most effective way.

- 2.10 The Audit Plan Methodology report elsewhere on the agenda for this meeting contains proposals for changing the way Internal Audit works to make to more risk based and to free up time for added value work.
- 2.11 The Annual Plan for 2014/15 has been reviewed to balance the resources available for the remainder of the year against a risk assessment of priorities and a list of the audits which will have to be deferred until 2015/16 is attached in Appendix 2.
- 2.12 The operational Audit Plan for Quarter 4 has been drawn up on the basis that the current vacancies will not be filled although every effort is being made to ensure that this is not the case. If staff are appointed to the vacant posts then appropriate audits will selected from Appendix 2 and the number of jobs carried forward will be reduced.
- 2.13 The audits deferred will be prioritised in the 2015/16 Annual Plan and it is hoped that the recruitment of a full complement of staff and the impact of the proposals outlined in the Audit Plan Methodology report will prevent a significant number of jobs being carried forward at the end of 2015/16..

3. Follow Ups Completed 1st October 2014 to 31st December 2014

- 3.1 A follow up of the Llangyfelach Primary School audit which had received a 'moderate' level of assurance was completed during Quarter 3 and it was found that all recommendations apart from 2 had been implemented. The outstanding recommendations have been brought to the attention of the Headteacher and Chair of the Governing Body

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: Internal Audit Plan 2014/15

Appendices: Appendix 1 Internal Audit – Monitoring Report Quarter 3 2014/15
Appendix 2 Internal Audit Plan 2014/15 – Audits Deferred

INTERNAL AUDIT - MONITORING REPORT QUARTER 3 2014/15

Head of Service	Audit	Date	Assurance Level	Recommendations		
				Made	Agreed	Not Agreed
Adult Services	Flexible Support Service	11/07/14	High	2	2	0
Corporate Building & Property Services	Oracle Time & Labour - Corporate Building	29/10/14	High	5	5	0
Highways & Transportation	Oracle Time & Labour - Clydach Depot	29/10/14	High	3	3	0
Education Planning & Resources	Dunvant Primary School	19/11/14	High	6	6	0
Housing & Public Protection	VOIDS Team - Home Preparation Unit	10/10/14	Substantial	7	7	0
Education Planning & Resources	Penllergaer Primary School	23/10/14	Substantial	5	5	0
Education Planning & Resources	Ysgol Crug Glas	23/10/14	Substantial	13	13	0
Education Planning & Resources	Mayals Primary School	27/10/14	Substantial	7	7	0
Cultural Services	Tourist Information Centre	29/10/14	Substantial	13	13	0
Education Planning & Resources	Gorseinon Primary School	05/11/14	Substantial	6	6	0
Education Planning & Resources	YG Bryn Tawe	05/11/14	Substantial	15	15	0
Education Planning & Resources	Cefn Hengoed Community School	12/11/14	Substantial	14	14	0
Education Planning & Resources	YGG Brynymor	12/11/14	Substantial	9	9	0
Education Planning & Resources	Christchurch Primary School	14/11/14	Substantial	11	11	0
Education Planning & Resources	Burlais Primary School	18/11/14	Substantial	6	6	0
Child & Family	Nant-y-Felin Children's Home	21/11/14	Substantial	12	12	0
Education Planning & Resources	Brynhyfryd Junior School	09/12/14	Substantial	7	7	0
Child & Family	Independent Agency Placements	11/12/14	Substantial	3	3	0
Social Services - Directorate Services	Social Services Transport Depot	11/12/14	Substantial	12	12	0
Education Planning & Resources	Brynhyfryd Infants School	15/12/14	Substantial	8	8	0
Education Planning & Resources	Pontarddulais Comprehensive School	31/12/14	Substantial	16	16	0
Total				180	180	0

Internal Audit Plan 2015/15 - Audits Deferred

Audit	Latest Opinion Rating	Latest Risk Index	Risk Category	Frequency in Years	No of Days
Clydach Primary School	Good	30	m	3	4.5
Behaviour & Learning Support	Good	20	m/l	3/4	5.0
Contracting	Good	36	m	3	10.0
Parks Central Operations	Good	15	l	4	6.0
Acceptance of Tenders - Legal	Good	33	m	3	10.0
Highways - Business Case, Tender & Evaluation	Good	39	m	3	20.0
School Kitchens	High	35	m	3	10.0
Gors Community Primary School	Satisfactory	34	m	3	4.5
Hendrefoilan Primary School	Satisfactory	32	m	3	4.5
Knelston Primary School	Satisfactory	30	m	3	4.0
St Joseph's Primary School	Satisfactory	30	m	3	4.0
Townhill Community Primary School	Satisfactory	35	m	3	4.5
Trallwn Primary School	Satisfactory	30	m	3	4.5
YGG Y Login Fach	Satisfactory	30	m	3	4.5
Support for the Arts	Satisfactory	29	m	3	5.0
Access to Learning - Management & Admin	Satisfactory	38	m	3	10.0
Psychology Service	Satisfactory	38	m	3	5.0
Recoupment	Satisfactory	38	m	3	5.0
SEN Statementing & Support	Satisfactory	38	m	3	5.0
Education Welfare Service	Satisfactory	26	m	3	10.0
Use of Taxis - Authorisation	Satisfactory	31	m	3	10.0
Corporate Building - Estimating	Satisfactory	34	m	3	15.0
Facilities Management	Satisfactory	24	m/l	3/4	5.0
Grounds Maintenance	Satisfactory	39	m	3	15.0
Business Development	Satisfactory	32	m	3	15.0
Petty Cash Accounts	Satisfactory	30	m	3	5.0
Taxation - VAT	Satisfactory	36	m	3	10.0
Construction Industry Tax Scheme	Satisfactory	34	m	3	10.0
Officers Expenses	Satisfactory	34	m	3	10.0
Control of Contracts	Satisfactory	40	m	3	15.0
Corporate Building - Tendering	Satisfactory	39	m	3	10.0
IT Assets	Satisfactory	39	m	3	10.0
Corporate Network Controls	Satisfactory	39	m	3	10.0
Payment Card Industry Data Security Standard	Satisfactory	38	m	3	5.0
Social Services Establishments - Self Assessment	Substantial	43	m/h	2/3	10.0
ISiS Authorisation Limits	Substantial	45	m/h	2/3	10.0
Cadle Primary School	Adequate	43	m/h	2/3	4.5
Social Services - Debt Recovery	Adequate	58	h	1/2	15.0
Rechargeable Works	Adequate	37	m	3	5.0
Contract & Supplier Register	Adequate	39	m	3	10.0
Youth Offending Service	Moderate	46	m/h	2/3	10.0
Civic Centre Cash Office	Annual				5.0
Outdoor Leisure Spot Checks	Annual				5.0

Internal Audit Plan 2015/15 - Audits Deferred

Audit	Latest Opinion Rating	Latest Risk Index	Risk Category	Frequency in Years	No of Days
Adult Family Placements	New				10.0
Childcare Grants	New				10.0
Flying Start	New				10.0
Families First	New				10.0
Waste Enforcement	New				10.0
Taxi Framework Contract	New				10.0
Rights of Way	New				10.0
Planning Enforcement	New				10.0
Pension Fund Other	New				10.0
Trusts & Charities	New				10.0
HR Policies	New				10.0
Liquidations	New				5.0
Virtual Server Environment	New				10.0
GCSX & Encryption	New				5.0
Total					485.5

Agenda Item 6

Report of the Chief Auditor

Audit Committee – 12 February 2015

INTERNAL AUDIT ANNUAL PLAN - METHODOLOGY

Purpose:	This report provides a briefing to the Audit Committee on the methodology used to prepare the Internal Audit Annual Plan in advance of the Annual Plan 2015/16 being reported to the Committee for approval.
Policy Framework:	None
Reason for Decision:	To brief the Audit Committee of the process of preparing the Internal Audit Annual Plan
Consultation:	Legal, Finance, Access to Services
Recommendation(s):	It is recommended that: the Committee note the methodology for preparing the Internal Audit Annual Plan and the proposed changes to be made for the 2015/16 Plan
Report Author:	Paul Beynon
Finance Officer:	Paul Beynon
Legal Officer:	Sharon Heys
Access to Services Officer:	Sherill Hopkins

1. Introduction

- 1.1 A risk based Internal Audit Plan is produced each year which is used to guide the work of the Internal Audit Section over the course of the year.
- 1.2 The Internal Audit Annual Plan is reported to and approved by the Audit Committee in April each year.
- 1.3 The aim of the Internal Audit Annual Plan is to provide sufficient coverage of the Council's risks and services to allow the Chief Auditor to deliver the annual opinion on internal control which informs the Annual Governance Statement.

1.4 This report provides a briefing to the Committee on the methodology used to prepare the Annual Plan in advance of the Plan for 2015/16 being reported to the Committee for approval.

2. Internal Audit Plan Methodology

2.1 The requirement to produce an Internal Audit Annual Plan is included in the Public Sector Internal Audit Standards (PSIAS) which are mandatory for all internal audit providers in the UK public sector.

2.2 An extract of the PSIAS requirements regarding internal audit planning is attached in Appendix 1

2.3 An Audit Needs Assessment is completed on an annual basis utilising the risk assessment undertaken for each audit. The risk assessment takes into account a wide range of factors which are grouped into the following categories

- Materiality e.g. income, expenditure
- Control Environment/Vulnerability e.g. previous frauds, staff turnover
- Management Concerns e.g. direct request for help, potential for embarrassment
- Sensitivity e.g. impact on service, effect on Council's welfare

2.4 A copy of the Risk Assessment form used is attached in Appendix 2

2.5 The outcome of the risk assessment is a risk index which is then used to determine the frequency of audit visits as shown in the following table

Risk Index	Risk Factor	Frequency of Visit
0 – 19	Low	4 years
20 – 25	Medium/Low	3/4 years
26 – 40	Medium	3 years
41 – 49	Medium/High	2/3 years
50 +	High	1/2 years

2.6 In addition to the risk assessment process, a number of systems have traditionally been identified, in consultation with our external auditors as fundamental e.g. Payroll, Accounts Receivable, Main Accounting, Council Tax. Until 01/04/14, all fundamental systems were audited annually which accounted for over 350 audit days over the course of the year.

2.7 However following discussions with PwC, it was agreed that the frequency of audit for fundamental systems should also take account of risk. As a result, 8 of the 14 fundamental audits which had received

the highest level of assurance for at least 3 years were moved to a 2 year audit cycle which will save around 120 audit days each year.

- 2.8 The use of the risk assessment process provides every audit in the Council's audit universe with a year when the next audit visit is due which is the starting point for the Internal Audit Annual Plan
- 2.9 Each year, a consultation exercise is held with all Heads of Service and Chief Officers giving them the opportunity to comment on the audit coverage in their area and to ensure that all risks within their services have been identified. Heads of Service and Chief Officers may also request specific reviews or pieces of work by the Internal Audit Section which are considered in light of the total Internal Audit resources available.
- 2.10 A review of the Corporate Risk Register also takes place to ensure that where necessary, Internal Audit resources are targeted at the areas considered to be the highest risk.
- 2.11 The ongoing review of the current year's Annual Plan also informs the planning process e.g. by identifying any emerging risks, new systems, developments or special investigations which may have a wider impact.
- 2.12 The Audit Needs Assessment i.e. the risk assessment process, consultation exercise and review of the Corporate Risk Register provides the total number of audit days required in the year which then has to be matched against the audit resources available.
- 2.13 The audit resources available reduced to 10.6 full time equivalents for 2014/15 due to a Group Auditor leaving under the Council's ER/VR scheme. This level of resources remains the same for 2015/16 as no further cuts have been made to Internal Audit staffing.
- 2.14 The audit resources available have to allow for things such as annual leave, public holidays, training, administration, planning, fraud investigations and a contingency to allow for unplanned work. This provides the productive audit days available to deliver the required audit coverage obtained from the Audit Needs Assessment
- 2.15 Inevitably, the required audit coverage will exceed the available audit resources leading to a further review of the required audit coverage. This review will again be risk based to ensure that the areas of greatest risk are prioritised
- 2.16 The Internal Audit Annual Plan is reported to the Audit Committee at the start of each year for approval. However, the Annual Plan must remain a flexible document that reacts to changing risks and priorities over the course of the year.

3. Proposed Changes to Audit Plan 2015/16

- 3.1 The Internal Audit Monitoring Report Quarter 3 2014/15 elsewhere on the agenda for this meeting again highlights the problems experienced in 2014/15 due to the loss of audit days caused by vacant posts and secondments
- 3.2 As a result of the loss of audit days in the current year, audits with a total of just under 500 days will not be completed and will be deferred to 2015/16.
- 3.3 This is the 2nd consecutive year that vacant posts, secondments and special investigations have led to a significant number of audit days being deferred to the following year which clearly impacts on the audits due in the subsequent year.
- 3.4 This situation can't be allowed to continue and a review has been made of the Audit Plan and the method of working to identify changes which can be made to ensure that the Plan put forward for approval each year is realistic and achievable.
- 3.5 It is also intended that the proposed changes will free up audit time to be spent on higher risk services and activities including those appearing in the Corporate Risk Register which will add value to the Council in line with the new definition of Internal Audit put forward in the Public Sector Internal Audit Standards.
- 3.6 As mentioned above, the application of risk to the frequency of fundamental audits has already saved around 120 days/year.
- 3.7 Following consideration by senior Internal Audit staff and a meeting of all staff in the Section to generate ideas, the proposed changes shown below will be used as the basis for preparing the Internal Audit Plan 2015/16
 - A Corporate Fraud Team will be established within the Internal Audit Section with effect from 1st June 2015 on a trial 2 year basis following the transfer of the existing Housing Benefits Fraud Investigation Team to the DWP. The Corporate Fraud Team made up of 3 staff will investigate the residual Council Tax Reduction Scheme fraud which will not be investigated by the DWP and will also pick up any other fraud investigations previously undertaken by Internal Audit staff as well as being proactive in fraud prevention across the Council. The Internal Audit Annual Plan currently includes 100 days for fraud investigations which can now be released for audit work.
 - The table in 2.5 above shows that audits of low risk services are planned to take place every 4 years. There are currently 33 audits classed as low risk with a total of 285 days for the audits. It is proposed that the frequency of audit for low risk audits is increased

to 5 years subject to a regular risk assessment of the services to ensure that there have been no changes which impact on the low risk assessment. All low risk audits currently have the 2 highest levels of assurance. This proposed change is likely to save 14 days/year.

- The table in 2.5 also shows that it is planned to audit services classed as medium/low risk every 3 to 4 years. There are currently 42 audits classed as medium/low risk with a total of 375 days for the audits. It is proposed that the frequency of medium/low risk audits is increased to 4 to 5 years again with a regular review to identify any changes to the risk score. There is only 1 audit in the medium/low category which does not have one of the highest levels of assurance. This proposed change is likely to save 31 days/year.
- There are a number of audits where the same audit programme is used over multiple establishments e.g. primary schools, branch libraries, school kitchens, district housing offices, leisure centres. It is proposed that where there are multiple establishments, a self assessment basis is used for the audit. A self assessment questionnaire would be developed which would be completed by the service with the output from the questionnaire being subject to spot checks by Internal Audit to confirm the findings. This approach has already been successfully used for Social Services establishments. In the first year, there is likely to be an investment of time preparing the questionnaires but savings would accrue in future years. If half of the time spent on these audits is saved by using the self assessment approach this would save around 90 days/year.
- A number of other minor changes have also been suggested to the ways of working e.g. reducing the scope of certain audit work, speeding up the process for finalising a draft audit report, reducing sample sizes where appropriate. While it is not possible to identify a saving in terms of days for the minor changes, they will contribute to the desired result by speeding up the process of completing an audit.

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: None

Appendices: Appendix 1 – Extract from Public Sector Internal Audit Standards
Appendix 2 – Risk Assessment Sheet

Extract from Public Sector Internal Audit Standards

2010 Planning

The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.

Interpretation:

The chief audit executive is responsible for developing a risk-based plan. The chief audit executive takes into account the organisation's risk management framework, including using risk appetite levels set by management for the different activities or parts of the organisation. If a framework does not exist, the chief audit executive uses his/her own judgment of risks after consideration of input from senior management and the board. The chief audit executive must review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programs, systems, and controls.

Public sector requirement

The risk-based plan must take into account the requirement to produce an annual internal audit opinion and the assurance framework. It must incorporate or be linked to a strategic or high-level statement of how the internal audit service will be delivered and developed in accordance with the internal audit charter and how it links to the organisational objectives and priorities.

2010.A1

The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.

2010.A2

The chief audit executive must identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinions and other conclusions.

2010.C1

The chief audit executive should consider accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value and improve the organisation's operations. Accepted engagements must be included in the plan.

2020 Communication and Approval

The chief audit executive must communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations.

2030 Resource Management

The chief audit executive must ensure that internal audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan.

Interpretation:

Appropriate refers to the mix of knowledge, skills and other competencies needed to perform the plan. Sufficient refers to the quantity of resources needed to accomplish the plan. Resources are effectively deployed when they are used in a way that optimises the achievement of the approved plan.

Public sector requirement

The risk-based plan must explain how internal audit's resource requirements have been assessed.

Where the chief audit executive believes that the level of agreed resources will impact adversely on the provision of the annual internal audit opinion, the consequences must be brought to the attention of the board.

City and County of Swansea - Risk Assessment Sheet - Internal Audit Section

Establishment/Site/System: _____

File Ref: _____

Completed By: _____ Date: _____ Approved (and copied to PFile/RAFile.) By: _____ Date: _____

Tick each factor that applies and score 1 point (except A) - maximum 5 points per category

A. Materiality	B. Control Environment / Vulnerability	C. Management Concerns	D Sensitivity														
<p>Value of funds that pass through the system and/or direct expenditure <u>plus</u> income = £ _____</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center;"><u>Annual Value (£)</u></td> <td style="width: 10%; text-align: center;"><u>Score</u></td> </tr> <tr> <td>• < 1,000</td> <td style="text-align: center;">0</td> </tr> <tr> <td>• 1,000 - 10,000</td> <td style="text-align: center;">1</td> </tr> <tr> <td>• 10,001 - 100,000</td> <td style="text-align: center;">2</td> </tr> <tr> <td>• 100,001 - 1m</td> <td style="text-align: center;">3</td> </tr> <tr> <td>• 1m - 5m</td> <td style="text-align: center;">4</td> </tr> <tr> <td>• > 5m</td> <td style="text-align: center;">5</td> </tr> </table>	<u>Annual Value (£)</u>	<u>Score</u>	• < 1,000	0	• 1,000 - 10,000	1	• 10,001 - 100,000	2	• 100,001 - 1m	3	• 1m - 5m	4	• > 5m	5	<ul style="list-style-type: none"> • Previous frauds if < 5 years • Opinion rating less than 'satisfactory' • Last audit review > 3 years ago (date _____) • High staff turnover • New system(s) operating • High degree of devolution • Complex system(s) operating • Critical reports from outside bodies etc. 	<ul style="list-style-type: none"> • Direct requests for help • Potential for embarrassment • Specific problem areas • Control weaknesses • Assets at risk • Significant cash income (e.g.: > £10K p.a.) 	<ul style="list-style-type: none"> • Political sensitivity of activity • Large no. of sub-systems, interlinked or dependent systems • Effect on Authority's welfare • Unwelcome disclosure • Impact on service • Impact on other depts.
<u>Annual Value (£)</u>	<u>Score</u>																
• < 1,000	0																
• 1,000 - 10,000	1																
• 10,001 - 100,000	2																
• 100,001 - 1m	3																
• 1m - 5m	4																
• > 5m	5																
Total Score (max 5)																	
Weighting	5	8	4														
Weighted Scores																	
Total WS =risk index	Low 0 to 19, Medium/Low 20 to 25, Medium 26 to 40, Medium/High 41 to 49, High 50 and above																

Report of the Chair of the Scrutiny Programme Committee

Audit Committee – 12 February 2015

FOR INFORMATION: SCRUTINY WORK PROGRAMME 2014-15

Summary:

This report is provided in order to share information that will help develop the relationship between scrutiny and the Audit Committee. It explains the background and purpose of the scrutiny work programme, which is developed, managed and monitored by the Scrutiny Programme Committee.

The report shows:

- the overall Scrutiny Work Programme, including work being carried out through various Scrutiny Panels and Working Groups established by the Committee;
- the work plan of the Scrutiny Programme Committee itself;
- the work plan of the Service Improvement & Finance Scrutiny Performance Panel; and
- contact list of lead scrutiny councillors and officers for all current activities.

Lead Councillor	Councillor Mary Jones, Chair of the Scrutiny Programme Committee
Lead Officer	Dave Mckenna, Manager, Scrutiny Unit
Report Author	Brij Madahar, Scrutiny Coordinator Tel: 01792 637257 E-mail: brij.madahar@swansea.gov.uk

1. Developing the Relationship between Scrutiny and the Audit Committee.

1.1 The chair of Scrutiny Programme Committee recently met with the chair of the Audit Committee and convener of the Service Improvement & Finance Performance Panel to discuss how the relationship between scrutiny and the Audit Committee could be developed in order for:

- Mutual awareness and understanding of the work of scrutiny and audit committee
- Respective work plans to be coordinated and avoid duplication / gaps
- Clear mechanism for referral of issues, if necessary

1.2 The follow actions were agreed:

- i) Chair of Scrutiny Programme Committee / Convener of Service Improvement & Finance Scrutiny Performance Panel to be copied into Audit Committee agenda and vice versa
- ii) Scrutiny Work Programme / Service Improvement & Finance Panel Work Plan to be published in Audit Committee agenda for information and vice versa
- iii) At least once a year chair of Scrutiny Programme Committee to appear at Audit Committee to share work plan and for a 'health-check' and vice-versa
- iv) Audit Committee chair to be invited to Annual Scrutiny Work Planning Conference
- v) Chairs to raise any issues re. coordination / duplication on ongoing basis
- vi) Where matters to be referred from Audit Committee chair should write letter to chair of Scrutiny Programme Committee

2. The Scrutiny Work Programme

2.1 The Scrutiny Programme Committee is responsible for developing the Council's scrutiny work programme, and managing the overall work of scrutiny to ensure that it is as effective as possible.

2.2 The broad aim of the scrutiny function is:

To carry out a significant and constructive programme of activities that will:

- help improve services;
- provide an effective challenge to the executive;
- engage members in the development of policies, strategies and plans; and
- engage the public.

2.3 At the same time the committee must ensure that the work of scrutiny is:

- manageable, realistic and achievable given resources available to support activities
- relevant to corporate priorities and focused on significant areas
- adding value and having maximum impact
- coordinated and avoids duplication

2.4 The scrutiny work programme is guided by the overriding principle that the work of scrutiny should be strategic and significant, focussed on issues of concern, and represent a good use of scrutiny time and resources.

3. Methods of Working

3.1 The work of scrutiny is undertaken primarily in three ways – through the committee itself and by establishing informal panels (for in-depth activities) or one-off working groups:

- a) **Formal committee meetings** – as well as developing and managing the overall work programme, the committee will focus on holding Cabinet Members to account by holding formal questioning sessions, and provide challenge on specific themes over the course of the year - this may cover a broad range of policy and service issues. Matters considered at committee meetings will typically be 'one-off' opportunities for questions, which will result in the committee communicating findings, views and recommendations for improvement through chairs letters to cabinet members, and where appropriate by producing reports.
- b) **Informal panels** – Scrutiny panels are established, with conveners appointed by the committee, to carry out in-depth inquiries (sometimes referred to as reviews) or undertake in-depth monitoring of particular services. The use of panels helps to ensure that scrutiny can be flexible and responsive to issues of concern:

i) Inquiry Panels: to undertake discrete in-depth inquiries into specific and significant areas of concern on a task and finish basis. These would be significant topics where scrutiny can make a real difference. Inquiry panels will produce a final report at the end of the inquiry with conclusions and recommendations for cabinet (and other decision-makers), informed by the evidence gathered. Inquiry Panels will reconvene to follow up on implementation of agreed recommendations and cabinet action plans and impact of their work.

Every piece of scrutiny work suggested for inquiry will start off as a 'working group' – with an in-depth inquiry only following if the group agreed it was necessary and could suggest appropriate terms of reference to the committee (including key question that is to be explored, evidence gathering that might be necessary, and timescales). The 'working group' approach will involve a detailed presentation of the subject matter at the outset (with advice from relevant cabinet members / officers and provision of existing research & information) which will enable opinion and proposals to be submitted to cabinet member(s) if these can be clearly expressed at that point, with no further work needed, or help inform decisions about the focus of any inquiry that is necessary.

ii) Performance Panels: to provide in-depth monitoring and challenge for clearly defined service areas. Performance

panels are expected to have on-going correspondence with relevant cabinet members in order to share views and recommendations, arising from monitoring activities, about services.

c) **Informal working groups** – Although the majority of scrutiny work is carried out through the committee and panels, the committee can also establish informal working groups of councillors. This supports flexible working where it has been agreed that a matter should be carried out outside of the committee but does not necessitate the establishment of a Panel. This method of working is intended to be light-touch – effectively a one-off meeting to consider a specific report or information, resulting in a letter to relevant Cabinet Member(s) with views and recommendations.

3.2 This arrangement helps to achieve more focused and potentially quicker pieces of scrutiny, and provide flexibility to deal with things in different ways depending on the issue, and improve impact.

3.3 Non executive councillors who are not members of the committee have the opportunity to participate in panels and other informal task and finish groups. New panel / working group topics, once agreed, are advertised to all non executive councillors and expressions of interest sought. The membership of panels and working groups is then determined by the committee. More than one political group should be represented on each panel / working groups. These bodies also need to be of a manageable size in terms of team working and effective questioning. A minimum of 3 members should be present at all meetings.

3.4 The following information is appended:

- the overall Scrutiny Work Programme, including work being carried out through various Scrutiny Panels and Working Groups established by the Committee (*Appendix 1*)
- the work plan of the Scrutiny Programme Committee itself (*Appendix 2*)
- the work plan of the Service Improvement & Finance Scrutiny Performance Panel (*Appendix 3*); and
- contact list of lead scrutiny councillors and officers for all current activities (*Appendix 4*)

4. Monitoring the Work Programme

4.1 The Scrutiny Programme Committee maintain an overview of all scrutiny activities to ensure that the work programme is co-ordinated and effective. In particular the committee monitors progress of work undertaken by the informal Panels and Working Groups and findings to ensure that this work is effective and has the required visibility. Performance Panel conveners attend the committee on a regular basis to provide updates and enable discussion on key activities and impact.

5. Financial Implications

- 5.1 Any costs that arise out of work plan activities, for example expenses for witnesses or transport costs, are not envisaged to be significant and will be contained within the existing Scrutiny Budget.

6. Legal Implications

- 6.1 There are no specific legal implications raised by this report.

7. Equality & Engagement Implications

- 7.1 There are no specific equality and engagement implications raised by this report.

Background papers: None

Date: 4 February 2015

Legal Officer: Wendy Parkin

Finance Officer: Paul Beynon

Access to Services Officer: Sherill Hopkins

Appendices:

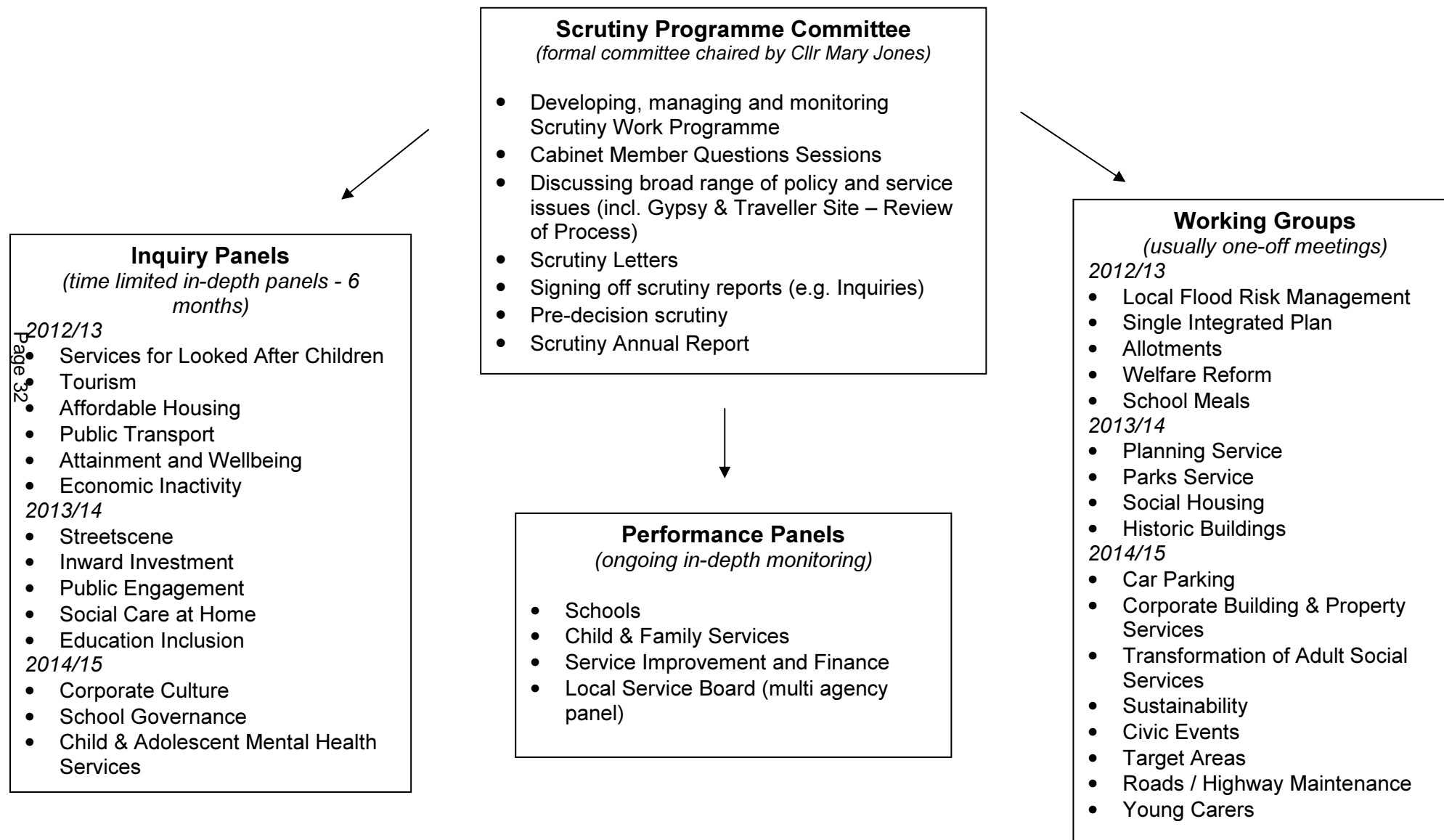
Appendix 1: Overall Scrutiny Work Programme

Appendix 2: The Committee Work Plan 2014/15

Appendix 3: Service Improvement & Finance Panel Work Plan 2014/15

Appendix 4: Scrutiny Councillor / Officer Leads

Appendix 1 - Swansea Scrutiny Structure / Work Programme (Nov 2012 to date)



Scrutiny Programme Committee – Work Plan

Standing Agenda Items:

Scrutiny Work Programme	<ul style="list-style-type: none"> To maintain overview on scrutiny work, monitor progress, and coordinate as necessary To plan for future committee meetings including key expectations e.g. key questions to explore, witnesses / information required To review future cabinet business and consider opportunities for pre-decision scrutiny To consider any councillor / public requests for scrutiny and/or Councillor Calls for Action (CCfA)
Scrutiny Letters	<ul style="list-style-type: none"> To review scrutiny letters and Cabinet Member responses arising from all scrutiny activities
Scrutiny Dispatches (Quarterly)	<ul style="list-style-type: none"> To approve content of Dispatches prior to reporting to Council, ensuring visibility and awareness of headlines from scrutiny activities, achievements and impact
Membership of Scrutiny Panels and Working Groups	<ul style="list-style-type: none"> To agree membership of Scrutiny Panels and Working Groups (including appointment of conveners) and subsequent changes

Items for Specific Meetings:

Meeting	Reports	Purpose
7 Jul	<ul style="list-style-type: none"> Cabinet Member Question Session – Cllr Mitch Theaker 	<ul style="list-style-type: none"> Question and answer session with Cabinet Member for Opportunities for Children & Young People, on relevant portfolio responsibilities and activities.
	<ul style="list-style-type: none"> Progress Report – Local Service Board Performance Panel 	<ul style="list-style-type: none"> Councillor Mike Day, Convener, to update on headlines from the Panel’s work and achievements
4 Aug	<ul style="list-style-type: none"> Cabinet Member Question Session – Cllr Mark Child 	<ul style="list-style-type: none"> Question and answer session with Cabinet Member for Wellbeing, on relevant portfolio responsibilities and activities.
	<ul style="list-style-type: none"> Progress Report – Wellbeing Performance Panel 	<ul style="list-style-type: none"> Councillor Paxton Hood-Williams, Convener, attending to update on headlines from the Panel’s work and achievements
	<ul style="list-style-type: none"> Final Inquiry Reports: § Inward Investment 	<ul style="list-style-type: none"> To receive the final report (including conclusions and recommendations) of the Inquiry Panel prior to submission to Cabinet for decision
	<ul style="list-style-type: none"> Swansea Children’s Rights Scheme 	<ul style="list-style-type: none"> To give views and make recommendations as necessary on draft Scheme
	<ul style="list-style-type: none"> Scrutiny Annual Report 	<ul style="list-style-type: none"> To agree the annual report of the work of overview & scrutiny for the municipal year 2013/14, as required by the constitution

1 Sep	<ul style="list-style-type: none"> Progress Report – Service Improvement & Finance Performance Panel 	<ul style="list-style-type: none"> Councillor Mary Jones, Convener, attending to update on headlines from the Panel’s work and achievements.
	<ul style="list-style-type: none"> WAO Scrutiny Report: Good Scrutiny? Good Question! 	<ul style="list-style-type: none"> To hear from Wales Audit Office about the findings and recommendations of the audit report and implications
29 Sep	<ul style="list-style-type: none"> Future Cabinet Member Question Sessions 	<ul style="list-style-type: none"> Report setting out arrangements for a new programme for questioning of cabinet members following recent changes in the executive
	<ul style="list-style-type: none"> Progress Report – Schools Performance Panel 	<ul style="list-style-type: none"> Councillor Fiona Gordon, Convener, attending to update on headlines from the Panel’s work and achievements.
	<ul style="list-style-type: none"> Final Inquiry Reports: § Public Engagement 	<ul style="list-style-type: none"> To receive the final report (including conclusions and recommendations) of the Inquiry Panel prior to submission to Cabinet for decision
	<ul style="list-style-type: none"> Improving Communication and Public Engagement with Scrutiny 	<ul style="list-style-type: none"> The report will include a communications plan / checklist along with actions arising from proposed adoption of the national principles for public engagement (referenced in WAO Report – Good Scrutiny? Good Question!)
	<ul style="list-style-type: none"> Annual Local Government Performance Bulletin 2013-14 	<ul style="list-style-type: none"> To ensure awareness of content of the Local Government Data Unit ~ Wales report and use to support the scrutiny of service performance
	<ul style="list-style-type: none"> Future Trends for Swansea 	<ul style="list-style-type: none"> Report with insight into current understanding of future trends likely to impact the planning and delivery of council services, to help embed long term thinking and preventative decision making into the scrutiny process
27 Oct	<ul style="list-style-type: none"> Cabinet Member Question Session 	<ul style="list-style-type: none"> To agree schedule for future sessions
	<ul style="list-style-type: none"> Final Inquiry Reports: § Streetscene 	<ul style="list-style-type: none"> To receive the final report (including conclusions and recommendations) of the Inquiry Panel prior to submission to Cabinet for decision
	<ul style="list-style-type: none"> Progress Report – Child & Family Services Performance Panel 	<ul style="list-style-type: none"> Councillor Paxton Hood-Williams, Convener, attending to update on headlines from the Panel’s work and achievements.
	<ul style="list-style-type: none"> Future Trends for Swansea 	<ul style="list-style-type: none"> Officers from Sustainable Development Unit attending to assist the committee in understanding / using the information and issues raised within the briefing paper on future trends and likely impact.

24 Nov	<ul style="list-style-type: none"> • Cabinet Member Question Session 	<ul style="list-style-type: none"> • Question and answer session with Leader / Cabinet Member for Finance & Strategy on relevant portfolio responsibilities and activities.
	<ul style="list-style-type: none"> • Progress Report – Service Improvement & Finance Performance Panel 	<ul style="list-style-type: none"> • Councillor Mary Jones, Convener, attending to update on headlines from the Panel’s work and achievements.
22 Dec	<ul style="list-style-type: none"> • Cabinet Member Question Session 	<ul style="list-style-type: none"> • Question and answer session on relevant portfolio responsibilities and activities with: <ul style="list-style-type: none"> - Deputy Leader / Cabinet Member for Services for Children & Young People - Cabinet Member for Education
	<ul style="list-style-type: none"> • Progress Report – Schools Performance Panel 	<ul style="list-style-type: none"> • Councillor Fiona Gordon, Convener, attending to update on headlines from the Panel’s work and achievements.
	<ul style="list-style-type: none"> • Final Inquiry Reports: § Social Care at Home 	<ul style="list-style-type: none"> • To receive the final report (including conclusions and recommendations) of the Inquiry Panel prior to submission to Cabinet for decision
19 Jan	<ul style="list-style-type: none"> • Cabinet Member Question Session 	<ul style="list-style-type: none"> • Question and answer session on relevant portfolio responsibilities and activities with: <ul style="list-style-type: none"> - Cabinet Member for Services for Adults & Vulnerable People - Cabinet Member for Wellbeing & Health City
	<ul style="list-style-type: none"> • Progress Report – Child & Family Services Performance Panel 	<ul style="list-style-type: none"> • Councillor Paxton Hood-Williams, Convener, attending to update on headlines from the Panel’s work and achievements.
16 Feb	<ul style="list-style-type: none"> • Crime & Disorder Scrutiny 	<ul style="list-style-type: none"> • Acting Chief Superintendent Phil Davies and Chris Sivers (Director) will attend to provide information and take questions on the performance of the Safer Swansea Partnership to enable committee to explore plans / objectives, achievements, impact, challenges etc
	<ul style="list-style-type: none"> • Cabinet Member Question Session 	<ul style="list-style-type: none"> • Question and answer session on relevant portfolio responsibilities and activities with Cabinet Member for Environment & Transport
	<ul style="list-style-type: none"> • Progress Report – Service Improvement & Finance Performance Panel 	<ul style="list-style-type: none"> • Councillor Mary Jones, Convener, to update on headlines from the Panel’s work and achievements.
	<ul style="list-style-type: none"> • Report Back - Scrutiny Development Session 	<ul style="list-style-type: none"> • Feedback to the committee following the Scrutiny Development Session: Making Scrutiny More Effective that was held on 29 January 2015.

16 Mar	<ul style="list-style-type: none"> • Cabinet Member Question Session 	<ul style="list-style-type: none"> • Question and answer session on relevant portfolio responsibilities and activities with: <ul style="list-style-type: none"> - Cabinet Member for Communities & Housing - Cabinet Member for Anti Poverty
	<ul style="list-style-type: none"> • Progress Report – Schools Performance Panel 	<ul style="list-style-type: none"> • Councillor Fiona Gordon, Convener, attending to update headlines from the Panel’s work and achievements.
13 Apr	<ul style="list-style-type: none"> • Cabinet Member Question Session 	<ul style="list-style-type: none"> • Question and answer session on relevant portfolio responsibilities and activities with: <ul style="list-style-type: none"> - Cabinet Member for Enterprise, Development & Regeneration - Cabinet Member for Transformation & Performance
	<ul style="list-style-type: none"> • Progress Report – Local Service Board Performance Panel 	<ul style="list-style-type: none"> • Convener attending to update on headlines from the Panel’s work and achievements
	<ul style="list-style-type: none"> • Annual Work Plan Review 	<ul style="list-style-type: none"> • To reflect on the year’s work, achievements, experiences, issues, ideas for future scrutiny

Other:

- Further special meetings re. Gypsy & Traveller Site Provision – Review of Process
- Reports on relevant regional / national scrutiny development & improvement Issues (incl. report back from WLGA / CfPS network meetings)
- Referrals from other council bodies, such as cabinet

Appendix 3

**Service Improvement and Finance Scrutiny Performance Panel
Work Plan – February 2015**

Date for Panel Meeting ¹	Item to be discussed
Meeting 1 14th May	<ul style="list-style-type: none"> • Annual work plan review To reflect on the year's work, achievements, experiences, issues, ideas for future scrutiny. • Work plan Development of work plan for 2014/15
Meeting 2 11th June	<ul style="list-style-type: none"> • Cabinet Member for Finance and Resources Q&A session Cllr Rob Stewart • Budget Control and Monitoring 2014/15 Mike Hawes, Head of Finance & Performance
Meeting 3 16th July	<ul style="list-style-type: none"> • Corporate Improvement Plan 2013-17 Richard Rowlands, Corporate Improvement Manager • Feedback from Centre for Public Scrutiny conference To inform Panel of the launch of a new publication – Raising the Stakes: financial scrutiny in challenging times (a guide for Welsh local authorities)
Meeting 4 20th August	<ul style="list-style-type: none"> • Sustainable Swansea – Fit for the Future Strategy & Delivery Programme (reporting to Cabinet 29 July) Cabinet Member for Resources, Cllr Rob Stewart Dean Taylor/Mike Hawes • End of Year Performance Monitoring Report 2013-14 (reporting to Cabinet on 29 July) Richard Rowlands, Corporate Improvement Manager
Meeting 5 17th September	<ul style="list-style-type: none"> • Budget Consultation Engagement Strategy (reporting to Cabinet 26 August) Lee Wenham, Head of Communications • Wales Audit Office Annual Improvement Report Steve Barry, Wales Audit Office • End of Year Financial Monitoring Report Mike Hawes, Head of Finance & Performance • 1st Quarter Budget Monitoring Report, including Budget Savings Tracker Mike Hawes, Head of Finance & Performance

¹ All meetings to take place on Wednesdays 1.30pm,-3.30pm (as agreed by Panel on 10th April 2014)

<p>Site Visit 7th October 10am</p>	<ul style="list-style-type: none"> • Panel to visit Seaview Flying Start Project Townhill To enable Panel Members to gather information on the purpose of Flying Start and hear first hand the experiences of staff working within the programme. This is in advance of a detailed service briefing on the Programme.
<p>Meeting 6 15th October</p>	<ul style="list-style-type: none"> • Flying Start briefing Briefing requested by Panel in order to look in detail at performance of Flying Start Programme Sian Bingham, Early Years Strategy Manager and Sharon Llewellyn, Flying Start Co-ordinator • 1st Quarter Performance Monitoring Report, including Policy Commitments Tracker (reporting to Cabinet 23 September) Richard Rowlands, Corporate Improvement Manager • Annual Review of Performance 2013-14 (reporting to Cabinet 23 September and Council on 7 October) Richard Rowlands, Corporate Improvement Manager • Local Government Performance 2013-14 (Report Of Local Government Data Unit ~ Wales) Rosie Jackson, Scrutiny Officer
<p>Meeting 7 12th November</p>	<ul style="list-style-type: none"> • Mid-Year Budget Statement: Mike Hawes, Head of Finance & Delivery • Postponed due to illness: Q&A with Cllr Jennifer Raynor, Cabinet Member for Education: to discuss the implementation and impact of budget decisions within their portfolio.
<p>Training and Development – <i>arranged by Panel but all scrutiny Cllrs invited</i> 25th November <i>Note different time and location:</i> <i>3pm Circle Bar, Grand theatre</i></p>	<p>Development Session with Local Government Data Unit (LGDU):</p> <ul style="list-style-type: none"> • Use of performance data in scrutiny and the Local Authority Performance Bulletin 2013-14. To ensure awareness of content of Local Government Data Unit Wales report and use to support the scrutiny of service performance. Richard Palmer, Head of Improvement, LGDU
<p>Meeting 8 4 December – <i>Note different day/time 3.30pm-4.30pm. Additional meeting to accommodate availability of Cabinet Member</i></p>	<ul style="list-style-type: none"> • Recycling and Landfill – Annual Performance Monitoring. To monitor and challenge performance and action plan for meeting statutory targets. Cllr Mark Thomas, Cabinet Member for Environment & Transportation Ian Whittleton, Waste Divisional Officer

<p>Meeting 9 10th December</p>	<ul style="list-style-type: none"> • Consideration of Budget engagement outcomes (presentation) Lee Wenham, Head of Communications & Customer Engagement Rhian Millar, Consultation Co-ordinator • Welsh Public Library Standards – Annual Performance Report To monitor and challenge performance and action plan for meeting standards TBC Cllr Robert Francis-Davies, Cabinet Member for Enterprise, Development & Regeneration, Steve Hardman, Library Service Manager • Pre-Decision Scrutiny Of EXEMPT Cabinet Report – Everyone's It: The Move To An In-House Managed ICT Service Cllr Clive Lloyd, Cabinet Member for Transformation & Performance Sarah Caulkin, Head of IT
<p>Meeting 10 7th January <i>Note different time 12.30pm-2pm. Additional meeting to accommodate availability of Leader</i></p>	<ul style="list-style-type: none"> • Sustainable Swansea: Fit for the Future Budget Proposals 2015/16-2017/18 Cllr Rob Stewart, Cabinet Member for Finance & Strategy (Leader) Mike Hawes, Head of Finance and Delivery
<p>Meeting 11 14th January</p>	<ul style="list-style-type: none"> • 2nd Quarter Performance Monitoring Report, including Policy Commitments Tracker (reporting to Cabinet 16 December) Richard Rowlands, Corporate Improvement Manager • 2nd Quarter Budget Monitoring Report, including Budget Savings Tracker Mike Hawes, Head of Finance & Performance • Q&A with Cllr Jennifer Raynor, Cabinet Member for Education: to discuss the implementation and impact of budget decisions within their portfolio
<p>Meeting 12 5th February 12-2pm</p>	<ul style="list-style-type: none"> • Budget Scrutiny Mike Hawes, Head of Finance & Performance Cllr Rob Stewart, Leader/Cabinet Member for Finance & Strategy
<p>Meeting 13 11th March</p>	<ul style="list-style-type: none"> • 3rd Quarter Budget Monitoring Report, including Budget Savings Tracker Mike Hawes, Head of Finance & Performance • Identify a Cabinet Member to attend to monitor the implementation and impact of budget decisions.
<p>Meeting 14 15th April</p>	<ul style="list-style-type: none"> • 3rd Quarter 2014-15 Performance Monitoring Report, including Policy Commitments Tracker (reporting to Cabinet 17 March) Richard Rowlands, Corporate Improvement Manager • Annual work plan review To reflect on the year's work, achievements, experiences, issues, ideas for future scrutiny.

To be added:

- Draft of new Corporate Improvement Plan
- Strategic Equality Plan Annual Review – To consider a report on how the Council is meeting its legislative duties in relation to Equality and Diversity. Likely to be available in March. Contact officer Euros Owen, Access to Services Team Leader.

Appendix 4

Lead Scrutiny Councillor / Officer Contacts:

Activity	Lead Councillor	Lead Scrutiny Officer
Scrutiny Programme Committee	Mary Jones mary.jones@swansea.gov.uk	Brij Madahar (01792 637257) brij.madahar@swansea.gov.uk
<u>Inquiry Panels:</u>		
Public Engagement How can the Council improve its engagement practices with the public, staff and external stakeholders?	Joe Hale joe.hale@swansea.gov.uk	Delyth Davies (01792 637491) delyth.davies@swansea.gov.uk
Streetscene How well does the Council maintain and keep clean the roads, footways and verges in Swansea, and what changes should it make?	John Bayliss john.bayliss@swansea.gov.uk	Delyth Davies (01792 637491) delyth.davies@swansea.gov.uk
Social Care at Home How can Swansea Council and its partners support people to enable them to remain in their own homes?	Uta Clay uta.clay@swansea.gov.uk	Dave Mckenna (01792 636090) dave.mckenna@swansea.gov.uk
Education Inclusion How can the Council improve education for those children who are other than at school?	Cheryl Philpott cheryl.philpott@swansea.gov.uk	Michelle Roberts (01792 637256) michelle.roberts@swansea.gov.uk
Corporate Culture How can the City & County of Swansea ensure that service delivery is always supported by a can do culture?	Andrew Jones andrew.jones@swansea.gov.uk	Michelle Roberts (01792 637256) michelle.roberts@swansea.gov.uk

<u>Inquiry Panels (follow up)</u>		
Services for Looked After Children	Ceinwen Thomas ceinwen.thomas@swansea.gov.uk	Delyth Davies (01792 637491) delyth.davies@swansea.gov.uk
Public Transport	John Newbury john.newbury@swansea.gov.uk	Delyth Davies (01792 637491) delyth.davies@swansea.gov.uk
Attainment & Wellbeing	Fiona Gordon fiona.gordon@swansea.gov.uk	Michelle Roberts (01792 637256) michelle.roberts@swansea.gov.uk
Economic Inactivity	Chris Holley chris.holley@swansea.gov.uk	Rosie Jackson (01792 636292) rosie.jackson@swansea.gov.uk
Inward Investment	Jeff Jones jeff.w.jones@swansea.gov.uk	Michelle Roberts (01792 637256) michelle.roberts@swansea.gov.uk
<u>Performance Panels:</u>		
Child & Family Services	Paxton Hood-Williams paxton.hood-williams@swansea.gov.uk	Delyth Davies (01792 637491) delyth.davies@swansea.gov.uk
Service Improvement & Finance	Mary Jones mary.jones@swansea.gov.uk	Rosie Jackson (01792 636292) rosie.jackson@swansea.gov.uk
Schools	Fiona Gordon fiona.gordon@swansea.gov.uk	Michelle Roberts (01792 637256) michelle.roberts@swansea.gov.uk
Local Service Board (multi-agency)	Mary Jones mary.jones@swansea.gov.uk	Rosie Jackson (01792 636292) rosie.jackson@swansea.gov.uk

Other Panels / Working Groups:		
Planning Services	David Cole david.cole@swansea.gov.uk	Rosie Jackson (01792 636292) rosie.jackson@swansea.gov.uk
Local Flood Risk Management	Susan Jones susan.m.jones@swansea.gov.uk	Rosie Jackson (01792 636292) rosie.jackson@swansea.gov.uk
Car Parking	Tony Colburn tony.colburn@swansea.gov.uk	Michelle Roberts (01792 637256) michelle.roberts@swansea.gov.uk
Corporate Building & Property Services	Terry Hennegan terry.hennegan@swansea.gov.uk	Rosie Jackson (01792 636292) rosie.jackson@swansea.gov.uk
Transformation of Adult Social Services	Uta Clay uta.clay@swansea.gov.uk	Delyth Davies (01792 637491) delyth.davies@swansea.gov.uk
Sustainability	Mary Jones mary.jones@swansea.gov.uk	Michelle Roberts (01792 637256) michelle.roberts@swansea.gov.uk
School Governance	tbc	Rosie Jackson (01792 636292) rosie.jackson@swansea.gov.uk

Agenda Item 9

Report of the Head of Finance & Delivery

Audit Committee – 12 February 2015

AUDIT COMMITTEE – WORKPLAN

Purpose:	This report details the Audit Committee Workplan to May 2015 and provides an outline Workplan for the 2015/16 municipal year.
Report Author:	Paul Beynon
Finance Officer:	Paul Beynon
Legal Officer:	Sharon Heys
Access to Services Officer:	Sherill Hopkins
FOR INFORMATION	

1. Introduction

- 1.1 The Audit Committee's Workplan to May 2015 is attached in Appendix 1 for information
- 1.2 A draft Workplan for the following municipal year is also attached in Appendix 2

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

Appendix 2 – Draft Audit Committee Workplan 2015/16

AUDIT COMMITTEE WORKPLAN 2014/15

Date of Meeting	Reports
12 th February 2015	Internal Audit Monitoring Report Q3 2014/15 Internal Audit Plan 2015/16 - Methodology Wales Audit Office Performance Audit Update Scrutiny Work Programme
12 th March 2015	Internal Audit Charter 2015/16 Risk Management Annual Review 2014/15 Recommendations Tracker 2013/14 – Update Coastal Project - Final Wavehill Evaluation Report
9 th April 2015	Internal Audit Annual Plan 2015/16 PwC Annual Financial Audit Outline 2014/15 Bad Debt Write Offs – Briefing Wales Audit Office – Corporate Assessment Draft Audit Committee Annual Report 2014/15 Education Challenge Advisers - Update

DRAFT AUDIT COMMITTEE WORKPLAN 2015/16

Date of Meeting	Reports
9 th April 2015	Internal Audit Annual Plan 2015/16 PwC Annual Financial Audit Outline 2014/15 Bad Debt Write Offs – Briefing Wales Audit Office – Corporate Assessment Draft Audit Committee Annual Report 2014/15 Education Challenge Advisers - Update
June 2015	Draft Annual Governance Statement 2014/15 Internal Audit Monitoring Report Q4 2014/15 Wales Audit Office Performance Audit Work 2015/16
July 2015	Draft Statement of Accounts 2014/15
August 2015	Internal Audit Annual Report 2014/15 Annual Report of School Audits 2014/15 Internal Audit Monitoring Report Q1 2015/16
September 2015	Housing Benefit Investigation Team Annual Report 2014/15 Risk Management Half Yearly Review 2015/16 Wales Audit Office Performance Audit – Mid Term Report
October 2015	Audited Statement of Accounts 2014/15 PwC ISA 260 Report 2015/16
November 2015	Internal Audit Monitoring Report Q2 2015/16 Recommendations Tracker Report 2014/15
December 2015	PwC Controls Report 2014/15
January 2016	PwC Annual Audit Letter 2014/15 Audit Committee Review of Performance 2015/16
February 2016	Internal Audit Monitoring Report Q3 2015/16 Wales Audit Office Performance Audit Update
March 2016	Internal Audit Charter 2016/17 Risk Management Annual Review 2015/16
April 2016	Internal Audit Annual Plan 2016/17 PwC Annual Financial Audit Outline 2015/16 Draft Audit Committee Annual Report 2015/16