

CITY AND COUNTY OF SWANSEA

MINUTES OF THE AUDIT COMMITTEE

**HELD AT COMMITTEE ROOM 6, GUILDHALL, SWANSEA ON
TUESDAY, 15 DECEMBER 2015 AT 2.00 PM**

PRESENT: Mr A M Thomas (Chair) Presided

Councillor(s)

C Anderson
P R Hood-Williams
T M White

Councillor(s)

R A Clay
L James

Councillor(s)

T J Hennegan
L V Walton

Also Present: -

Councillor R C Stewart – Leader of the Council

Councillor M H Jones – Chair of Scrutiny Programme Committee

Officer(s)

P Arran – Head of Legal and Democratic Services

P Beynon – Chief Auditor

S Heys – Principal Lawyer

J Parkhouse – Democratic Services Officer

Apologies for Absence

Councillor(s): J W Jones, P M Meara, D Phillips and R V Smith

50 **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 R A Clay – Minute No.53 – Chair of Communities CAC – personal.

Councillor T J Hennegan – Minute No.53 – Member of Communities and Corporate Services CAC's – personal.

Councillor L V Walton – Minute No.53 - Member of two CAC's – personal.

51 **MINUTES.**

RESOLVED that the Minutes of the meeting of the Audit Committee held on 20 October and Special Audit Committee held on 17 November 2015 be approved as correct records.

52 **BRIEFING - CABINET ADVISORY COMMITTEES.**

Councillor R C Stewart, Leader of the Council provided the Committee with a verbal briefing regarding Cabinet Advisory Committees (CAC's).

He outlined that CAC's had been re-introduced to the Authority in order to involve non executive Councillors in the democratic process. The Cabinet system used by the Authority was exclusive and the majority of non Cabinet Councillors only had input via scrutiny. Involvement in the CAC's had allowed Councillors to create and drive forward changes.

He emphasised the differences between CAC's and Scrutiny, how CAC's assist the Cabinet Members in formulating / changing policy and how it was important that no duplication of work occurred. There had initially been some confusion regarding the scope of the CAC's which had been established to reflect Council priorities.

The Committee asked questions of the Leader who responded accordingly. Discussions centred around the following: -

- CAC's were going in the right direction and required time to 'bed-in';
- The lack of resources provided to CAC's compared to Scrutiny and the need to consider having additional officer support for CAC's, especially in the current financial climate;
- The best use of Councillor and officer resources within the Authority;
- Reviewing the effectiveness of CAC's on a regular basis;
- CAC's looking at Council priorities.

RESOLVED that: -

- 1) The contents of the briefing be noted;
- 2) The Leader be invited to a future meeting in order to provide an update report.

53 **CHAIR SCRUTINY PROGRAMME COMMITTEE.**

Councillor M H Jones, Chair of the Scrutiny Programme Committee provided the Committee with a verbal update on the work of scrutiny. She explained the background to scrutiny, particularly the change in working methods in having one committee and a number of working panels and added that all non-executive Councillors should be part of the scrutiny process. She stated that in her opinion, scrutiny did not have sufficient resources, particularly when dealing with challenging topics.

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

- Scrutiny holding the Executive to account, co-option of expertise from outside the Authority and using its authority effectively;
- Scrutiny of other public sector organisations where services affect the Authority, e.g. health;
- The importance of partnership working;
- Methods of communication used by the Scrutiny Team;

- Encouraging public participation in Scrutiny;
- Scrutiny reporting process to Cabinet.

RESOLVED that: -

- 1) The contents of the discussions be noted;
- 2) The Chair of the Scrutiny Programme Committee be invited to a future meeting in order to provide an update report.

54 **CORPORATE GOVERNANCE REVIEW UPDATE.**

The Head of Legal and Democratic Services provided the Committee with a verbal update on the Corporate Governance Review.

He stated that due to the size of the review, WLGA had been asked to assist. The work had been commissioned by the Executive Board and Rod Alcott (WLGA) had met with the Chief Executive last week to discuss his findings.

The report would be finalised before 31 March 2016.

RESOLVED that the contents of the update be noted.

55 **ANNUAL AUDIT LETTER - CITY & COUNTY OF SWANSEA 2014/15.**

The Chief Auditor, in the absence of the PricewaterhouseCoopers representative, presented the Wales Audit Office Annual Audit Letter – City and County of Swansea 2014-15.

It was outlined that the letter summarised the key messages arising from the Auditor General for Wales' statutory responsibilities under the Public Audit (Wales) Act 2004, and reporting responsibilities under the Code of Audit Practice.

The following was outlined: -

- The Authority complied with its responsibilities relating to financial reporting and use of resources;
- The Auditor General for Wales was satisfied that the Authority had appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources;
- The Auditor General for Wales issued a certificate confirming that the audit of the accounts had been completed on 28 September 2015;
- Work to date on certification of grant claims and returns had not identified significant issues that would impact on the 2015-16 accounts or key financial systems.

It was added that on 28 September 2015, the Auditor General for Wales issued an unqualified audit opinion on the accounting statements confirming that they

presented a true and fair view of the Authority's and the Pension Fund's financial position and transactions. This report was contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Audit Committee in the Audit of Financial Statements report on 21 September 2015.

RESOLVED that the contents of the report be noted.

56 **RISK MANAGEMENT UPDATE.**

The Chief Auditor, on behalf of the Director of Corporate Services, presented a Risk Management Update report. The purpose of the report was to update the Committee on the process of Risk Management, reporting and mitigation across the Council.

It was outlined that all individual risks had a 'responsible officer' identified whose job it was to monitor and control each risk on a periodic basis. Risk registers were made up of collections of individual risks. The Council had three main levels of risk register: corporate, directorate and service. There was also an Information Management Risk Register. A copy of the Corporate Risk Register was provided at Appendix A.

Details regarding corporate risks, corporate and directorate risk registers, service risk registers, responsible officers and assurance checks were provided.

The Committee discussed the information contained within the report. Discussions centred around the following: -

- How the Authority deals with red risks;
- Risk assessments;
- The need for a more detailed report;
- Financial and reputational risks to the Authority;
- Risk procedure details contained on the Council website;
- Evidence of assurance checks.

RESOLVED that: -

- 1) The contents of the report be noted;
- 2) A more detailed report be presented to a future meeting;
- 3) The Chief Auditor circulates the link to access risk procedure details contained on the Council website.

57 **CHAIR'S LETTERS. (FOR INFORMATION)**

The letters of the Chair in respect of Adult Services Audits and Streetworks audit were provided for information.

NOTED comments of the Committee in relation to cost analysis.

58 **AUDIT COMMITTEE - WORK PLAN. (FOR INFORMATION)**

The Audit Committee Work Plan was provided for information.

The Chair requested that Councillors return their questionnaires as soon as possible.

The meeting ended at 3.45 pm

CHAIR