

CITY AND COUNTY OF SWANSEA

MINUTES OF THE AUDIT COMMITTEE

**HELD AT COMMITTEE ROOM 3A, GUILDHALL, SWANSEA ON
TUESDAY, 25 OCTOBER 2016 AT 2.00 PM**

PRESENT: Mr A M Thomas (Chair) presided

Councillor(s)

C Anderson
L James
L V Walton

Councillor(s)

R A Clay
J W Jones
T M White

Councillor(s)

T J Hennegan
R V Smith

Officer(s)

Paul Beynon
Lucy Moore
Simon Cockings
Jeremy Parkhouse

Chief Auditor
Directorate Lawyer
Senior Auditor
Democratic Services Officer

Also Present

Geraint Norman

Wales Audit Office

Apologies for Absence

Councillor(s): P R Hood-Williams, P M Meara and D Phillips

37 **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 C Anderson – Minute No.39 – Audit Report of School Audits – School Governor at Seaview Primary School – personal.

Councillor T J Hennegan - Minute No.39 – Audit Report of School Audits – School Governor at Clwyd Primary School – personal and Minute No.40 – Bad Debt Write Offs Update Report - I am a Council tenant with the Authority – personal.

Councillor L James - Minute No.39 – Audit Report of School Audits – School Governor at Pennard Primary School – personal.

Councillor J W Jones - Minute No.39 – Audit Report of School Audits – School Governor – personal.

Councillor R V Smith – Minute No.39 – Audit Report of School Audits – School Governor – School Governor at YGG Pontybrenin and YG Gwyr – personal.

Councillor L V Walton - Minute No.39 – Audit Report of School Audits – School Governor at Dylan Thomas School – personal.

Councillor T M White - Minute No.39 – Audit Report of School Audits – School Governor – personal.

38 **MINUTES.**

RESOLVED that the Minutes of the Audit Committee held on 30 August and Special Audit Committee held on 20 September 2016 were approved as correct records.

39 **ANNUAL REPORT OF SCHOOL AUDITS 2015/16.**

The Chief Auditor and Group Auditor provided a summary report of the school audits undertaken by the Internal Audit Section during 2015/16 and which identified some common issues found during the audits.

It was outlined that an audit of each primary, secondary and special school in Swansea was undertaken every 3 years. A standard audit programme existed for each school sector. For a number of years, a report summarising the school audits undertaken each year had been prepared for the Chief Education Officer. The report also identified the common themes which had been found during the audits.

The School Audits Annual Report 2015/16 was attached at Appendix 1.

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

- The amount of money available for schools to spend on procuring goods and services is relatively small ;
- Holding schools to account for not complying with Internal Audit procedures / requests;
- The number of schools that had opted out of the Procurement Service Level Agreement (SLA), the cost effectiveness of the current agreement and the proposed changes to procedures being considered by Procurement;
- Issues relating to specific schools in Swansea that had previously been discussed by Committee and the need to have a robust process and to highlight outstanding matters to Governors;
- Chair and Chief Auditor discussions with the Chief Education Officer;
- The importance of recognising that the majority of schools are providing a good service and moderate audit opinions are very few;
- Introduction of purchasing charge cards in schools and the controls surrounding their use;
- High price of quotations provided to schools by some Council services;
- Tendering procedures undertaken by schools;
- The need to concentrate on high risk areas / schools.

RESOLVED that: -

- 1) The contents of the report be noted;
- 2) The Head of Commercial Services be invited to the next scheduled meeting to discuss the Service Level Agreement;

- 3) The Chief Education Officer be invited to the next scheduled meeting to discuss the influence the centre can exercise over compliance with procedures by schools.

40 **BAD DEBT WRITE OFFS - UPDATE REPORT.**

The Chief Auditor provided a 'for information' report that outlined details of the debts written off by the Council in the last 3 financial years and an outline of the robust debt recovery procedures that were followed by services before a debt was submitted for write off.

It was added that the Interim Head of Legal / Monitoring Officer was proposing to recommend to Council a change to Financial Procedure Rule 11.6 for writing off debts in excess of £10k to remove reference to the Cabinet Member with responsibility for Finance and insert the Head of Legal and Democratic Services instead. This would add to the robustness of the debt recovery procedure by ensuring that all legal options had been considered. The Cabinet Member responsible for the relevant service would continue to approve write offs. If approved the amended rule would be

'Debts which are not recoverable must be written off. The Chief Financial Officer must approve all write off of debts up to £10,000. Debts above £10,000 may be written off with the approval of the Chief Financial Officer, the Head of Legal and Democratic Services and the Cabinet Member responsible for the relevant service.'

Details of debts written off 2013/14 – 2015/16 and the debt recovery procedures undertaken for the most significant types of debt were provided.

41 **CHAIR / WALES AUDIT OFFICE LIAISON MEETING.**

The Chief Auditor presented a report that provided details of a liaison meeting held on 3 October 2016 attended by the Chair, Chief Auditor and representatives of the Wales Audit Office.

It was stated that the Wales Audit Office representatives felt that based on the experience of meetings attended, the Audit Committee was largely operating well with positive contributions from Members to the issues raised. Suggestions were put forward for consideration regarding amending procedures / introducing new practices and these were outlined.

The Committee asked questions relating to the Council's Risk Register and access to the Section 106 database.

RESOLVED that: -

- 1) The contents of the report be noted;
- 2) Confirmation be provided regarding Member access to the Section 106 database.

42 **AUDIT COMMITTEE ACTION TRACKER REPORT. (FOR INFORMATION)**

The Audit Committee Tracker Report was provided 'for information'.

43 **AUDIT COMMITTEE WORK PLAN. (FOR INFORMATION)**

The Audit Committee Work Plan was reported 'for information'.

The meeting ended at 3.28 pm

CHAIR