

## DINAS A SIR ABERTAWE

### HYSBYSIAD O GYFARFOD

Fe'ch gwahoddir i gyfarfod Arbennig

### PWYLLGOR ARCHWILIO

**Lleoliad:** Ystafell Bwyllgor 6, Neuadd y Ddinas, Abertawe

**Dyddiad:** Dydd Mawrth, 14 Chwefror 2017

**Amser:** 2.00 pm

**Cadeirydd:** Mr Alan M Thomas

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#### Aelodaeth:

Cynghorwyr: C Anderson, R A Clay, T J Hennegan, P R Hood-Williams, L James, J W Jones, P M Meara, D Phillips, R V Smith, C Thomas, L V Walton a/ac T M White

### AGENDA

Rhif y Dudalen.

- 1 Ymddiheuriadau am absenoldeb.
- 2 Datgeliadau o fuddiannau personol a rhagfarnol.  
[www.abertawe.gov.uk/DatgeliadauBuddiannau](http://www.abertawe.gov.uk/DatgeliadauBuddiannau)
- 3 Adroddiad Swyddfa Archwilio Cymru - Adolygiad Perfformiad y Pwyllgor Archwilio 2016/17. 1 - 10
- 4 Adroddiad Orlhain Gweithredu'r Pwyllgor Archwilio. (Er Gwybodaeth) 11 - 18
- 5 Cynllun Gwaith y Pwyllgor Archwilio. (Er Gwybodaeth) 19 - 22

**Cyfarfod Nesaf:** Dydd Mawrth, 14 Mawrth 2017 ar 2.00 pm



**Huw Evans**

**Pennaeth Gwasanaethau Democraidd**

**Dydd Mawrth, 7 Chwefror 2017**

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**Cyswllt: Gwasanaethau Democraidd: - 636923**



## Core Functions of an Audit Committee

The core functions of an audit committee are to:
Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievements of the authority's objectives.
In relation to the authority's internal audit functions: <ul style="list-style-type: none"> <li>• oversee its independence, objectivity, performance and professionalism</li> <li>• support the effectiveness of the internal audit process</li> <li>• promote the effective use of internal audit within the assurance framework.</li> </ul>
Consider the effectiveness of the authority's risk management arrangements and the control environment. Review the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships with other organisations.
Monitor the effectiveness of the control environment, including arrangements for ensuring value for money and for managing the authority's exposure to the risks of fraud and corruption.
Consider the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control.
Support effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourage the active promotion of the value of the audit process.
Review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.

## ANNUAL GOVERNANCE STATEMENT

- 1 Audit committees provide essential support for the approval of the Annual Governance Statement (AGS) and for ensuring that good governance is embedded throughout the authority's day-to-day activities rather than being limited to a once-a-year reporting process. The audit committee is able to support this approach by addressing governance principles in the course of its regular business.
- 2 The good practice governance standard for local government bodies in the UK is the framework for delivering good governance in local government produced by CIPFA and SOLACE in 2007.
- 3 Legislation requires local authorities to prepare an AGS and to report publicly on the effectiveness of governance and control. The AGS should be reviewed and then approved by a body of the authority prior to being signed by the leading member and the chief executive, or equivalents. Typically, audit committees undertake the role of reviewing the AGS prior to approval.
- 4 Statutory and professional guidelines will determine when the AGS goes before the audit committee for review. Under the 2011 Accounts and Audit Regulations the AGS must

be approved by 30 September. CIPFA recommends that the AGS is first reviewed by members of the audit committee at an earlier stage to allow comments and contributions to be made. The AGS must be current at the time it is published, so the audit committee should review it again in September.

- 5 To provide a meaningful review of the AGS, the audit committee should be in a position to draw on knowledge of the governance arrangements as they are established and on assurances of how they have operated in practice during the course of the year. The audit committee should undertake the following activities to discharge their responsibilities:
  - Review the local code of governance and any changes to the arrangements in the year.
  - Note it is not the responsibility of the audit committee to establish any local code, but it should be consulted.
  - Ensure that the AGS is underpinned by a framework of assurance (see the detailed section on assurance planning).
  - Over the course of the year, receive reports and assurances over the application of the governance framework in practice.
  - Monitor implementation of action plans or recommendations to improve governance arrangements.
  - Consider how the organisation applies governance principles in practice during the committee's review of other agenda items.
- 6 Given its role in overseeing the local code of governance and the AGS, the audit committee has an opportunity to promote the implementation of the principles of good governance across the authority: to make things better in the future, not just reviewing what happened in the past. For example, the committee may make recommendations for action to senior management or refer matters to other committees.

## INTERNAL AUDIT

- 7 The audit committee has a clear role in relation to oversight of the authority's internal audit function. From 1 April 2013, local authority internal auditors have had to follow the Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note (LGAN). They highlight the importance of effective internal audit to those in the organisation who are responsible for governance.
- 8 In its adoption of PSIAS and LGAN, each authority should consider which committee or individual is the most appropriate to fulfil the role of the board in relation to internal audit. In determining the functional reporting arrangements of internal audit, the authority will need to bear in mind the need to preserve the independence and objectivity of internal audit as required by PSIAS. It is for these reasons that in the LGAN CIPFA expressed an expectation that the audit committee would fulfil the role of the board in the majority of instances. The terms of reference of the audit committee should reflect the functional reporting arrangements of internal

audit to the audit committee as set out in the internal audit charter, the formal document that defines the internal audit activity's purpose, authority and responsibility.

- 9 The roles of the audit committee in relation to internal audit are to:
- oversee its independence, objectivity, performance and professionalism
  - support the effectiveness of the internal audit process
  - promote the effective use of internal audit within the assurance framework.
- 10 The specific activities that these three objectives lead to are considered below.

### Oversee independence, objectivity, performance and professionalism

- 11 The following activities are the functional reporting arrangements set out in PSIAS to ensure the organisational independence of internal audit. According to the specific internal audit charter of the authority, the audit committee could have a role:
- to review or approve the following:
    - the internal audit charter
    - the risk-based internal audit plan
    - the internal audit budget and resource plan
  - to consider the appointment and removal of the head of internal audit
  - to make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations
  - to receive the annual report, which includes:
    - the annual opinion on the overall adequacy and effectiveness of governance, risk management and control
    - a summary of the work on which internal audit has based the opinion
    - a statement on conformance with PSIAS and the LGAN
    - the results of the quality assurance and improvement programme.
  - To discuss with the head of internal audit the form of the external assessment of internal audit and the qualifications and independence of the assessor.
- 12 The head of internal audit or chief internal auditor (referred to in PSIAS and the LGAN as 'chief audit executive') should have free and unfettered access to the chair of the audit committee. In addition, the chair of the audit committee may serve as sponsor for the external assessment, which forms part of the Quality Assurance and Improvement Programme at least once every five years.

### Support the effectiveness of the internal audit process

- 13 The audit committee has an important role to play in supporting the process of internal audit and outputs from audit work. The following activities are core parts of this:
- Receiving updates on the work of internal audit including key findings, issues of concern, and action in hand as a result of internal audit work.
  - Receiving reports on instances where the internal audit function does not conform to PSIAS or the LGAN and considering whether the non-conformance is sufficiently significant that it must be included in the AGS.
  - Overseeing the relationship of internal audit with other assurance providers and with external audit and any inspectorates.
  - Receiving regular reports on the results of the Quality Assurance and Improvement Programme.

### Promote the effective use of internal audit within the assurance framework

- 14 The audit committee should seek to make best use of the internal audit resource within the assurance framework. In particular, the audit committee should seek confirmation from internal audit that the audit plan takes into account the requirement to produce an annual internal audit opinion that can be used to inform the AGS. Specific activities will include:
- Approving (but not directing) the risk-based plan, considering the use made of other sources of assurance.
  - Receiving reports outlining the action taken where the chief audit executive has concluded that management has accepted a level of risk that may be unacceptable to the authority.
  - When considering the AGS, taking into account internal audit's opinion on the overall adequacy and effectiveness of the authority's framework of governance, risk management and control.
- 15 Those audit committees that operate under the Accounts and Audit Regulations must conduct a review of the effectiveness of their internal audit annually. The audit committee should take into account internal audit's Quality Assurance and Improvement Programme when conducting such a review.
- 16 The CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations states that engagement between the head of internal audit and the audit committee is a crucial component of delivering an effective internal audit service.
- 17 Audit committee members should keep up to date with changes affecting the professional practices and expectations of internal auditors so that they can provide the necessary support.

## RISK MANAGEMENT

- 18 In determining the audit committee's responsibilities towards risk management, authorities should have regard to the responsibilities of other committees such as scrutiny committees and the specific responsibilities of those charged with governance in relation to risk management. Were a local authority to establish a separate risk committee, then its roles and responsibilities would need to be taken into account in determining the role of the audit committee.
- 19 Assurance over risk management will be a key element underpinning the AGS. The audit committee also needs a good understanding of the level of assurance risk management provides when it reviews the risk-based internal audit plan or reviews other assurances on areas of risk.
- 20 The role of the audit committee in relation to risk management covers three major areas:
- First, assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the top level ownership and accountability for risks. The specific actions this requires include:
- Overseeing the authority's risk management policy and strategy, and their implementation in practice.
  - Overseeing the integration of risk management into the governance and decision-making processes of the organisation.
  - Ensuring that the AGS is an adequate reflection of the risk environment.
- Second, keeping up to date with the risk profile and the effectiveness of risk management actions by:
- Reviewing arrangements to co-ordinate and lead risk management. An example of such an arrangement is the existence of a group to examine and challenge and support the risk assessment process to ensure consistency.
  - Reviewing the risk profile and keeping up to date with significant areas of strategic risks and major operational or major project risks and seeking assurance that these risks are managed effectively and owned appropriately.
  - Seeking assurance that strategies and policies are supported by adequate risk assessments and that risks are being actively managed and monitored.
  - Following up risks identified by auditors and inspectors to ensure they are integrated into the risk management process.
- Third, monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management by:
- Overseeing any evaluation or assessment such as a risk maturity assessment or risk benchmarking.
  - Reviewing evaluation or assurance reports on risk management and monitoring progress on improvement plans.
  - Monitoring action plans and development work in the field of risk management practice.

- 21 Flexibility in the audit committee agenda to adapt to new or heightened risks will ensure that the committee is responsive and focused on priority issues.

## ASSURANCE FRAMEWORKS AND ASSURANCE PLANNING

- 22 Authorities may have developed a description or diagram explaining what assurances exist and who is responsible for them. Such descriptions may be described as an assurance framework or assurance map. Typically, they outline key areas of the assurances required by the audit committee, such as on governance, risks and controls, and they identify the assurance providers. These may include internal audit, risk management advisors and management.
- 23 Whether or not there is a formally set-down assurance framework, the audit committee has a responsibility to understand what assurance is available to support the AGS and to enable the committee to meet its terms of reference.  
The committee should be seeking to ensure that assurance is planned and delivered with the following objectives in mind:
- clarity of what assurance is required
  - clear allocation of responsibility for providing assurance
  - avoiding duplication, bearing in mind the differing objectives of assurance activities
  - improving the efficiency and cost effectiveness of assurance
  - obtaining assurance of appropriate rigour and independence across a range of assurance providers.
- 24 Having a clear assurance framework in place will support the committee in a number of areas. It supports the annual review of effectiveness for the AGS. It also supports the approval of the internal audit risk-based plan as it enables the committee to identify the extent to which it will rely on internal audit for its assurance requirements.
- 25 In reviewing assurance arrangements, the committee should bear in mind that the assurance process has a cost to the organisation and it should therefore be proportional to the risk.

## VALUE FOR MONEY AND BEST VALUE

- 26 Making best use of resources is a key objective for all local authorities and it is part of the CIPFA/SOLACE Good Governance Framework. One of the supporting principles of Principle 1 of this framework is 'ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money'.
- 27 Assurance over value for money should focus on both the arrangements to ensure value for money and the progress in achieving value for money. An authority should have in place arrangements to obtain assurance over its performance against value for money objectives and strategies. The role for the audit committee will need to be determined in the context of what other committees may be doing. For example, a scrutiny committee may oversee service reviews that consider performance against value for money objectives.

- 28 The role of the audit committee is most likely to focus on whether the authority's overall approach to value for money is in line with governance objectives and to receive assurances on this to underpin the AGS. CIPFA issued an Addendum to the CIPFA/SOLACE Good Governance Framework to update the requirements for the AGS. The Addendum emphasises that the AGS should be focused on outcomes and value for money.
- 29 One specific area of activity for the committee should be consideration of the external audit opinion on value for money as set out in the codes of audit practice adopted by national audit bodies. In addition, the audit committee should consider what other assurances are available in relation to identified value for money risks and highlight areas for improvement.

## COUNTERING FRAUD AND CORRUPTION

- 30 Local authorities have responsibilities for the effective stewardship of public money and for safeguarding against losses due to fraud and corruption. Effective counter-fraud arrangements also link to the ethical standards for members and officers that the public expects.
- 31 The audit committee role should be to have oversight of the authority's strategy to counter fraud – assessing whether it meets recommended practice and governance standards and complies with legislation such as the Bribery Act 2010. Managing the Risk of Fraud sets out the counter-fraud standards for public sector organisations; sector-specific strategies such as Fighting Fraud Locally should also be considered. The committee should understand the level of fraud risk to which the authority is exposed and the implications for the wider control environment. Oversight of counter-fraud plans, resources and their effectiveness are key areas for obtaining assurance. Specific actions should include:
- reviewing the counter-fraud strategy and considering whether it meets recommended practices
  - championing good counter-fraud practice to the wider organisation
  - reviewing the fraud risk profile and estimate of fraud losses or potential harm to the organisation and its local community
  - reviewing the annual counter-fraud plan of activity and resources, seeking assurance that it is in line with the strategy and fraud risk profile
  - monitoring the performance of the counter-fraud function
  - overseeing any major areas of fraud identified and monitoring actions plans to address control weaknesses.
- 32 The Addendum to the CIPFA/SOLACE Good Governance Framework recommends that the adequacy of counter-fraud arrangements are evaluated and reported on in the AGS. The audit committee should have sight of the assurances underpinning this assessment.



## EXTERNAL AUDIT

- 33 The audit committee's role should include receiving and considering the work of the external auditor. The committee should receive the planned work programme to support the opinion and receive reports following the completion of external audit work in order to monitor the action to be taken. The committee should contribute to the authority's response to the annual audit letter.
- 34 The audit committee should support the quality and effectiveness of the external audit process through:
- Expressing an opinion on the selection and rotation of the external auditor.
  - Reviewing how external audit plans fit with the agreed engagement and being satisfied that the planned resources and team composition have the required seniority, expertise and experience to undertake the engagement.
  - Assessing the effectiveness of the external audit process, including whether the external auditor has a good understanding of the authority, how the external auditor has met the audit plan, and feedback from key people such as the responsible financial officer and the head of internal audit.
  - Reporting to full council or other body as appropriate on the results of the review.
  - Supporting the implementation of recommendations from the external auditor.
  - Reviewing the authority's policy on non-audit work by external audit and details of any non-audit work actually undertaken.
- 35 In monitoring the quality of the external audit provision, the audit committee should be briefed on any relevant issues around quality that emerge from the regulation of external audit – for example, the quality reports from the Financial Reporting Council.
- 36 There should be an opportunity for the audit committee to meet privately and separately with the external auditor, independent of the presence of those officers with whom the auditor must retain a working relationship.
- 37 Reports from inspection agencies can be a useful source of assurance about the authority's financial management and governance. The audit committee should have access to inspection reports as a source of assurance and compare the findings with any relevant internal audit and external audit reports. Inspection reports will need to be actioned by the corporate or appropriate departmental management team, but the audit committee has a role in monitoring such action to ensure that a consistent approach is adopted and that the various agencies have one recognisable point of entry into the authority.

## FINANCIAL REPORTING

- 38 Local authority financial statements should follow the professional practices set down in the Code of Practice on Local Authority Accounting issued by CIPFA. The responsible financial officer must sign the statements by 30 June to confirm that they have been properly prepared

and are ready for audit. The local authority will formally approve the financial statements after the completion of the external audit.

- 39 The date by which the statements must be published is set down by government regulations. Currently it is 30 September. CIPFA has recommended that it is good practice for the accounts to be reviewed prior to the commencement of the external audit, along with the AGS, rather than waiting until September. Audit committees may undertake a review of the statements and satisfy themselves that appropriate steps have been taken to meet statutory and recommended professional practices. Their work could include:
- reviewing the explanatory foreword to ensure consistency with the statements and the financial challenges and risks facing the authority in the future
  - reviewing whether the foreword is readable and understandable by a lay person
  - identifying the key messages from each of the financial statements and evaluating what that means for the authority in future years
  - monitoring trends and reviewing for consistency with what is known about financial performance over the course of the year
  - reviewing the suitability of accounting policies and treatments
  - seeking explanations for changes in accounting policies and treatments
  - reviewing major judgemental areas, eg provisions
  - seeking assurances that preparations are in place to facilitate the external audit.
- 40 Other committees in the governance structure might also scrutinise the authority's financial performance. Care should be taken to avoid duplication and maintain the focus of the audit committee on financial reporting and financial governance rather than on wider issues of performance and spending priorities.
- 41 In keeping with its role as an advisory body, the audit committee should review the financial statements prior to approval.

## PARTNERSHIP GOVERNANCE

- 42 Authorities commonly have a wide range of partnership arrangements including strategic relationships with other public sector organisations, shared service arrangements, commercial relationships with private sector partners and a range of service delivery arrangements with community groups or social enterprises. Ensuring the adequacy of governance and risk management over such arrangements can be complicated but is very important as accountability for performance and stewardship of the public funds involved remains with the authority. For these reasons the role of the audit committee should be clearly defined.
- 43 The audit committee's role can be to consider the assurance available on whether the partnership arrangements are satisfactorily established and are operating effectively. For example, the audit committee should seek assurance that the authority has appropriate arrangements to identify and manage risks, ensure good governance and obtain assurance on compliance. The committee may also want to know what arrangements have been put in place

to maintain accountability to stakeholders, to ensure transparency of decision making and to ensure standards of probity are maintained.

- 44 Where an authority is developing new partnership arrangements, the audit committee may wish to receive assurance over governance matters at the project stage and seek clarity over its own responsibilities in relation to the governance arrangements of the new service delivery organisation.
- 45 The audit committee should consider the coverage of assurances that underpin the AGS to make sure that partnerships are adequately covered.
- 46 In addition to reviewing assurances over partnerships, the committee may choose to develop its own partnership arrangements with the audit committees of partner organisations. This could involve planning and co-ordinating agendas, or developing forums to share ideas or briefings. More established partnerships could lead to the development of a shared audit committee between partner authorities or a joint committee.

# Agenda Item 4

## Report of the Chief Auditor

Audit Committee – 14 February 2017

### AUDIT COMMITTEE – ACTION TRACKER

<b>Purpose:</b>	This report details the actions recorded by the Audit Committee and response to the actions.
<b>Report Author:</b>	Paul Beynon
<b>Finance Officer:</b>	Paul Beynon
<b>Legal Officer:</b>	Sandie Richards
<b>Access to Services Officer:</b>	Sherill Hopkins

#### FOR INFORMATION

#### 1. Introduction

- 1.1 During the course of Audit Committee meetings various actions may be decided which are recorded on the minutes of the meetings.
- 1.2 Until now, the Committee has had no transparency over the outcomes of the actions minuted by the Committee.
- 1.3 Therefore, an Action Tracker has been created which records the decisions taken by the Audit Committee and provides an outcome for each action.
- 1.4 The Action Tracker for the 2015/16 and 2016/17 municipal years are attached in Appendix 1 and 2.
- 1.5 The Action Tracker will be regularly updated and any completed actions will be marked 'CLOSED' and coloured in grey.
- 1.6 The Action Tracker will be reported to each Audit Committee meeting for information.

#### 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 – Action Tracker 2016/17**

**Appendix 2 – Action Tracker 2015/16**

<b>AUDIT COMMITTEE ACTION TRACKER 2016/17</b>	
<b>Action</b>	<b>Outcome</b>
<b>03/01/17 Min 55 – Wales Audit Office Annual Audit Letter 2015/16</b>	
The Wales Audit Office report regarding the key principles to a strategic approach to setting, increasing or introducing charges for local authority services be circulated to the Committee	The report was circulated on 04/01/17 - CLOSED
<b>13/12/16 Min 45 – Training Presentation Risk Management</b>	
An update on the progress of Risk Management be provided in March	Due to the number of items on the agendas for the meetings in March 2017, the Risk Management update has been included on the agenda for the June 2017 meeting
<b>13/12/16 Min 45 – Training Presentation Risk Management</b>	
The presentation be circulated to the Committee	The presentation was circulated on 21/12/16 - CLOSED
<b>13/12/16 Min 46 – Training Presentation Counter Fraud</b>	
The presentation be circulated to the Committee	The presentation was circulated on 21/12/16 - CLOSED
<b>13/12/16 Min 47 – Commercialism Strategy</b>	
Members of the Committee be invited to attend the forthcoming Headteacher Workshops	An e-mail was sent to the Head of Commercial Services on 11/01/17 to register the interest of members of the Committee in the Headteacher Workshops. When the Workshop date has been agreed, details will be circulated to the Committee.
<b>13/12/16 Min 47 – Commercialism Strategy</b>	
The presentation be circulated to the Committee	The presentation was circulated on 21/12/16 - CLOSED
<b>13/12/16 Min 51 – Corporate Fraud Team Investigation Report</b>	
The Chair writes to the Head of Waste Management to seek assurance that the lessons learned from this investigation have been adopted by the service,	A letter was sent to the Head of Waste Management on 13/01/17 - CLOSED
<b>25/10/16 Min 39 – Annual Report of School Audits 2015/16</b>	
The Head of Commercial Services be invited to the next scheduled meeting to discuss the Service Level Agreement	The Head of Commercial Services attended the meeting on 13/12/16 - CLOSED
<b>25/10/16 Min 39 – Annual Report of School Audits 2015/16</b>	
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	The Chief Education Officer was unable to attend the meetings on 13/12/16, 03/01/17 and 14/02/17 but has been asked to come to the meeting on 14/03/17.

Action	Outcome
<b>25/10/16 Min 41 – Chair / Wales Audit Office Liaison Meeting</b>	
Confirmation be provided regarding Member access to the Section 106 database	Feedback was provided by the Chief Auditor to the meeting on 03/01/17 and a note circulated to all members - CLOSED
<b>30/08/16 Min 25 – Internal Audit Monitoring Report Quarter 1 2016/17</b>	
Self-assessment forms for schools be added to school governing body meeting agendas	Self-assessment questionnaire to be added to agenda of governing body clerks forum meeting to be held in January 2017. A reminder will also be circulated to all schools - CLOSED
<b>30/08/16 Min 26 – Corporate Fraud Team Plan 2016/17</b>	
An update be provided to the Committee in 6 months	Update included on agenda for Committee meeting on 28/03/17
<b>21/07/16 Min 18 – Internal Audit Monitoring Report Quarter 4 2015/16</b>	
In future, any delays in receiving a response from a service to a draft internal audit report be reported to the Committee.	Any delay in receiving a response to a draft internal audit report will be included in the quarterly Internal Audit Monitoring Report - CLOSED
<b>21/07/16 Min 18 – Internal Audit Monitoring Report Quarter 4 2015/16</b>	
The Chief Auditor contacts the Head of Human Resources and Organisational Development in order to discuss the procedure regarding de-activating flexi-cards when an employee ends employment with the Authority	When an employee leaves, the line manager is required to complete an exit interview checklist. One of the items on the checklist is to re-cover the employee's flexi card and return it to HR for cancellation - CLOSED
<b>21/07/16 Min 18 – Internal Audit Monitoring Report Quarter 4 2015/16</b>	
The Chair writes to the Head of Service where an audit has received a moderate level of assurance for a second audit to express the Committee's concern that there has been no improvement in the controls in operation.	Letters sent 05/08/16 and copies reported to Audit Committee on 30/08/16 for information - CLOSED
<b>28/06/16 Min 8 – Corporate Governance Review Report</b>	
The recommendations contained within the report be regularly monitored and where appropriate feedback be provided by the Deputy Head of Legal and Democratic Services	The recommendations included in the Corporate Governance report as well as those arising from the WAO's Corporate Assessment and the Peer Review are being monitored on a regular basis by the Corporate Management Team. Work is progressing to implement the recommendations and will continue to be monitored by the Interim Head of Legal and Democratic Services

<b>Action</b>	<b>Outcome</b>
<b>28/06/16 Min 9 - Certification of Grants and Returns 2013/14 and 2014/15</b>	
All Responsible Officers be advised and reminded of the external auditors findings and the obligation to maintain at all times adequate and complete records to support future grant certification claims	E-mail sent to all Heads of Service by Chief Finance and Deputy Section 151 Officer on 30/06/16. The e-mail; highlighted the relevant issues and the external auditor's grants report was attached - CLOSED
<b>28/06/16 Min 9 - Certification of Grants and Returns 2013/14 and 2014/15</b>	
A letter be circulated to schools highlighting the need to retain relevant paperwork in relation to grants claimed in order to prove if the funding was used appropriately.	The Chair wrote to Chief Education Officer on 05/08/16 asking for the issues to be brought to the attention of schools and an e-mail was sent to all schools on 09/11/16 - CLOSED
<b>28/06/16 Min 11 – YGG Lon Las Draft Response to Cabinet</b>	
Additional comments be forwarded to the Chair/Chief Auditor	No further comments were received - CLOSED
<b>28/06/16 Min 11 – YGG Lon Las Draft Response to Cabinet</b>	
The updated report be forwarded to Cabinet	Report was presented to Cabinet on 19/01/17 - CLOSED
<b>28/06/16 Min 12 – Final Audit Committee Annual Report 2015/16</b>	
The Audit Committee Annual Report 2015/16 be approved and be presented to Council in July/August 2016	Report was presented to Council on 22/09/16 - CLOSED
<b>14/06/16 Min 5 – Audit Committee Training</b>	
The training presentations regarding risk management and counter fraud be deferred to a future Audit Committee meeting	Training presentations delivered at meeting on 13 December 2016 - CLOSED



<b>AUDIT COMMITTEE ACTION TRACKER 2015/16</b>	
<b>Action</b>	<b>Outcome</b>
<b>19/04/16 Min 79 – Internal Audit Charter 2016/17</b>	
The Chief Auditor investigates the success of Housing Benefit prosecutions since the service was transferred to the DWP	Response provided to Committee on 14/06/16 - CLOSED
<b>22/03/16 Min 72 – New Build for YGG Lon Las – Referral from Cabinet</b>	
The Chair/Chief Auditor draft a report summarising the key lessons to be learned for consideration by the Audit Committee prior to being submitted to Cabinet	Draft report presented to Committee on 28/06/16 - CLOSED
<b>16/02/16 Min 63 - Risk Management Update</b>	
The Chair and Head of Finance and Delivery draft a response to the Welsh Government regarding the late announcement of funding	Not pursued as the impact of the late announcement had been strongly made to the Welsh Government by the WLGA - CLOSED
<b>16/02/16 Min 63 - Risk Management Update</b>	
The Head of Legal and Democratic Services be requested to consider Councillor access to the risk register in the forthcoming Governance Review Report	Corporate Director (Resources) to prepare report on Councillor access to risk register for consideration by Corporate Management Team as part of the current review of the Risk Management Policy and Framework
<b>16/02/16 Min 64 – Recommendations Tracker Report 2014/15</b>	
An update report on the level of write offs be added to the Workplan	Update provided to Audit Committee on 25/10/16 - CLOSED
<b>16/02/16 Min 65 – Internal Audit Monitoring Report Quarter 3 2015/16</b>	
The impact of high sickness levels for Internal Audit compared to previous years be provided to the Committee	Included in Quarter 4 Monitoring Report to meeting on 21/07/06 - CLOSED
<b>16/02/16 Min 67 – Audit Committee Self-Assessment of Good Practice Questionnaire</b>	
The completed Questionnaire be used as the basis for the Audit Committee Annual Report 2015/16	Questionnaire was used for Annual Report 2015/16 presented to Committee on 28/06/16 - CLOSED
<b>16/02/16 Min 70 – YGG Lon Las Lessons Learned – Referral from Cabinet</b>	
Item be deferred to a Special Meeting of the Audit Committee	Report presented to Special Meeting held on 22 March 2016 - CLOSED
<b>15/12/15 Min 52 – Briefing Cabinet Advisory Committee</b>	
The Leader be invited to a future meeting in order to provide an update report	Update provided to the Audit Committee meeting on 03/01/17 - CLOSED

<b>Action</b>	<b>Outcome</b>
<b>15/12/15 Min 53 – Chair Scrutiny Programme Committee</b>	
The Chair of the Scrutiny Programme Committee be invited to a future meeting in order to provide an update report	Included in Workplan for meeting on 14/03/17
<b>15/12/15 Min 56 – Risk Management Update</b>	
A more detailed report be presented to a future meeting	The Head of Finance and Delivery provided a more detailed report to the meeting on 16/02/16 - CLOSED
<b>15/12/15 Min 56 – Risk Management Update</b>	
The Chief Auditor circulates the link to access the risk procedure details on the Council website	See 16/02/16 Min 63 Risk Management Update below - CLOSED
<b>17/11/15 Min 47 – Housing Benefit Investigation Team Annual Report 2014/15</b>	
An interim report be provided in 6 months	Corporate Fraud Team Annual Report was presented to Audit Committee on 30/08/16 - CLOSED
<b>17/11/15 Min 48 – Internal Audit Monitoring Report Quarter 2 2015/16</b>	
The Chair writes to the Chief Social Services Officer regarding the 4 moderate audit ratings in Adult Services	Letter sent 30/11/15 and Chair met Head of Adult Services on 16/12/15 - CLOSED
<b>17/11/15 Min 48 – Internal Audit Monitoring Report Quarter 2 2015/16</b>	
The Chair writes to the Head of Transportation and Highways regarding the Streetworks audit which received a moderate level of assurance	Letter sent 30/11/15 and Chair met Head of transportation and highways on 22/12/15 - CLOSED
<b>17/11/15 Min 48 – Internal Audit Monitoring Report Quarter 2 2015/16</b>	
The Chief Auditor circulates the details of the Section 106 Agreements follow up audit to the Committee	Details circulated 19/11/15 - CLOSED
<b>17/11/15 Min 48 – Internal Audit Monitoring Report Quarter 2 2015/16</b>	
The Chief Auditor circulates the link to the Section 106 Agreements database to the Committee	Link circulated 22/12/15 - CLOSED
<b>20/10/15 Min 37 – Chair of Scrutiny Programme Committee</b>	
The Chair of the Scrutiny Programme Committee be invited to the Audit Committee meeting scheduled for 15 December 2015	The Chair of the Scrutiny Programme Committee attended the Audit Committee meeting on 15 December 2015 - CLOSED
<b>20/10/15 Min 38 – Corporate Governance Review – Update</b>	
Rod Alcott be invited to attend the Special Audit Committee on 17 November 2015 in order to present the draft report	Report presented to Committee on 28/06/16 - CLOSED
<b>20/10/15 Min 39 – Annual Report of School Audits 2014/15</b>	
A review be undertaken to ensure that school audit reports are placed upon school governor meeting agendas	The review was reported to the Audit Committee on 25/10/16 - CLOSED

<b>Action</b>	<b>Outcome</b>
<b>20/10/15 Min 40 – Audit Committee Annual Report 2014/15 Follow Up</b>	
The Chief Auditor circulates the Audit Committee Knowledge and Skills Framework questionnaire to the Committee.	Framework circulated 19/11/15 - CLOSED
<b>18/08/15 Min 17 - Presentation Corporate Fraud Team</b>	
The Corporate Fraud Team Manager provides a future update report to the Committee	Corporate Fraud Team Annual report was presented to Audit Committee on 30/08/16 - CLOSED
<b>18/08/15 Min 20 - WAO Audit of Financial Statements Progress Report</b>	
A Special Audit Committee be scheduled between 17 and 24 September 2015 in order to discuss the Final Audit Report	Special meeting held on 21/09/15 - CLOSED
<b>16/06/15 Min 9 - Internal Audit Monitoring Report Quarter 4 2014/15</b>	
An update report regarding Section 106 Agreements be provided at the next scheduled meeting	Head of Economic Regeneration and Planning provided a report on 18/08/15 – CLOSED

# Agenda Item 5

## Report of the Chief Auditor

Audit Committee – 14 February 2017

### AUDIT COMMITTEE – WORKPLAN

<b>Purpose:</b>	This report details the Audit Committee Workplan to May 2017 and a draft Workplan for 2017/18.
<b>Report Author:</b>	Paul Beynon
<b>Finance Officer:</b>	Paul Beynon
<b>Legal Officer:</b>	Sandie Richards
<b>Access to Services Officer:</b>	Sherill Hopkins

#### FOR INFORMATION

#### 1. Introduction

- 1.1 The Audit Committee's Workplan to May 2017 is attached in Appendix 1 for information
- 1.2 A draft Workplan for 2017/18 is included 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 2016/17

**Appendix 2** – Draft Audit Committee Workplan 2017/18

## AUDIT COMMITTEE WORKPLAN 2016/17

Date of Meeting	Reports
14 February 2017 – Special Meeting	Audit Committee Review of Performance 2016/17
14 March 2017	Chair of Scrutiny Programme Committee Wales Audit Office Grants Report 2015/16 Wales Audit Office Update Report Internal Audit Monitoring Report Q3 2016/17 Internal Audit Plan 2017/18 - Methodology Audit Committee Action Tracker Report
28 March 2017 – Special Meeting	Chief Education Officer Briefing Wales Audit Office Annual Plan 2017 Wales Audit Office Update Report Internal Audit Charter 2017/18 Internal Audit Annual Plan 2017/18 Corporate Fraud Team Update Corporate Fraud Team Plan 2017/18 Draft Audit Committee Annual Report 2016/17 Audit Committee Action Tracker Report

**DRAFT AUDIT COMMITTEE WORKPLAN 2017/18**

<b>Date of Meeting</b>	<b>Reports</b>
June 2017	Risk Management Policy and Framework - update Wales Audit Office Update Report Internal Audit Monitoring Report Quarter 4 2016/17 Final Audit Committee Annual Report 2016/17 Audit Committee Action Tracker Report
July 2017 – Special	Draft Statement of Accounts 2016/17 Draft Annual Governance Statement 2016/17 Audit Committee Action Tracker Report
August 2017	Wales Audit Office Update Report Internal Audit Annual Report 2016/17 Corporate Fraud Annual Report 2016/17 Annual Report of School Audits 2016/17 Chief Education Officer Response to Annual Report of School Audits 2016/17 Internal Audit Monitoring Report Quarter 1 2017/18 Audit Committee Action Tracker Report
September 2017 - Special	Wales Audit Office ISA 260 Report 2016/17 – City and County of Swansea Wales Audit Office ISA 260 Report 2016/17 – Pension Fund Audit Committee Action Tracker Report
October 2017	Chair of Scrutiny Programme Committee Corporate Governance Review - Progress Update Risk Management Half-Yearly Review 2017/18 Wales Audit Office Update Report Audit Committee Action Plan - Review Audit Committee Action Tracker Report
December 2017	Wales Audit Office – Financial Statements Report 2016/17 Wales Audit Office – Annual Audit Letter 2016/17 Wales Audit Office Update Report Internal Audit Monitoring Report Quarter 2 2017/18 Recommendations Tracker Report 2016/17 Audit Committee Action Tracker Report
February 2018	Wales Audit Office Update Report Wales Audit Office Grants Report 2016/17 Internal Audit Monitoring Report Quarter 3 2016/17 Internal Audit Annual Plan Methodology 2018/19 Audit Committee Review of Performance 2017/18 Audit Committee Action Tracker Report

<b>Date of Meeting</b>	<b>Reports</b>
April 2018	Wales Audit Office Annual Plan 2018 Wales Audit Office Update Report Internal Audit Charter 2018/19 Internal Audit Annual Plan 2018/19 Corporate Fraud Annual Plan 2018/19 Draft Audit Committee Annual Report 2017/18 Audit Committee Action Tracker Report