



**Dinas a Sir Abertawe**

**Hysbysiad o Gyfarfod**

Fe'ch gwahoddir i gyfarfod

## **Pwyllgor Archwilio**

**Lleoliad:** Ystafell Bwyllgor 5, Neuadd y Ddinas, Abertawe

**Dyddiad:** Dydd Mawrth, 12 Mehefin 2018

**Amser:** 2.00 pm

**Aelodaeth:**

Cynghorwyr: C Anderson, P M Black, T J Hennegan, P R Hood-Williams, B Hopkins, O G James, P K Jones, J W Jones, M B Lewis, S Pritchard, W G Thomas, L V Walton a/ac T M White

**Aelod Lleyg:** P O'Connor

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### **Agenda**

**Rhif y Dudalen.**

- 1 Ethol Cadeirydd ar gyfer y flwyddyn ddinesig 2018-2019.**
- 2 Ethol Is-gadeirydd ar gyfer y flwyddyn ddinesig 2018-2019.**
- 3 Ymddiheuriadau am absenoldeb.**
- 4 Datgeliadau o fuddiannau personol a rhagfarnol.**  
[www.abertawe.gov.uk/DatgeliadauBuddiannau](http://www.abertawe.gov.uk/DatgeliadauBuddiannau)
- 5 Cofnodion.** **1 - 6**  
Cymeradwyo a llofnodi, fel cofnod cywir, gofnodion y cyfarfod(ydd) blaenorol.
- 6 Adroddiad Archwiliad Monitro Mewnol Chwarter 4 2017/2018.** **7 - 18**
- 7 Ymateb i'r Adroddiad Cymedrol a Gyhoeddwyd yn ystod Chwarter 4. (Llafar)**
- 8 Hyfforddiant Cychwynnol y Pwyllgor Archwilio. (Llafar)**
- 9 Hyfforddiant Rheoli Risgiau. (Llafar)**
- 10 Diweddariad am weithredoedd yn dilyn Adolygiad Perfformiad 2016/17.** **19 - 21**
- 11 Diweddariad gan Swyddfa Archwilio Cymru.** **22 - 28**

12	Cynigion Swyddfa Archwilio Cymru ar gyfer Adroddiad Gwella - Diweddariad wedi Chwe Mis.	29 - 33
13	Trosolwg o Adroddiad Statws Cyffredinol y Risg Chwarter 4 2017/18.	34 - 38
14	Adroddiad Drafft Rhaglen Hyfforddiant y Pwyllgor Archwilio.	39 - 42
15	Cynllun Gwaith y Pwyllgor Archwilio. (Er Gwybodaeth)	43 - 47
16	Adroddiad Tracio Gweithrediadau'r Pwyllgor Archwilio. (Mwy o wybodaeth)	48 - 53

**Cyfarfod nesaf:** Dydd Mawrth, 26 Mehefin 2018 ar 2.00 pm

*Huw Evans*

**Huw Evans**  
**Pennaeth Gwasanaethau Democrataidd**  
**Dydd Mawrth, 5 Mehefin 2018**

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**Cyswllt: Gwasanaethau Democrataidd: - 636923**

# Agenda Item 5



City and County of Swansea

## Minutes of the **Audit Committee**

Committee Room 5 - Guildhall, Swansea

Tuesday, 10 April 2018 at 2.00 pm

### Present:

#### Councillor(s)

C Anderson  
O G James  
M B Lewis  
L V Walton

#### Councillor(s)

T J Hennegan  
L James  
S Pritchard  
T M White

#### Councillor(s)

P R Hood-Williams  
J W Jones  
W G Thomas

### Also Present

Councillor Rob Stewart  
Susan Powell  
Paula O'Connor

Leader, Swansea Council  
Cardiff Council  
Independent Lay Member

### Officer(s)

Simon Cockings  
Huw Evans  
Jeff Fish  
Kate Jones  
Tracy McNulty  
Dave Osborne  
Sandie Richards  
Jonathon Rogers

Chief Auditor  
Head of Democratic Services  
Corporate Fraud Team Investigator  
Democratic Services Officer  
Head of Cultural Services  
Leisure Operations Manager  
Principal Lawyer  
Corporate Fraud Team Investigator

### Apologies for Absence

Councillor(s): B Hopkins and P K Jones

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## 70 Election of Chair for the Remainder of the 2017/2018 Municipal Year.

**Resolved** that Paula O'Connor be elected Chair for the remainder of the 2017/2018 Municipal Year

**(Paula O'Connor (Independent Chair) Presided)**

## 71 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: -

Paula O'Connor – Agenda as a whole – Employee of Velindre NHS Trust – NWSSP – Providing Internal Audit Service as Head of Internal Audit to Abertawe Bro Morgannwg University Health Board – Personal.

## **72 Minutes.**

**Resolved** that the Minutes of the previous meeting of the Audit Committee were approved as a correct record subject to the following point of note: -

- Minute 65 - The Committee had not yet had direct access to the Corporate Risk Register.

## **73 Work of Policy Development & Delivery Committees.**

Councillor Rob Stewart / Leader provided an update to the Committee on the progress of the Policy Development and Delivery Committees. They were established in June 2017 and had followed the work programmes set for the Municipal Year. A number of the Policy Development and Delivery Committees had provided reports to Cabinet which had been unanimously accepted to date. The end of year reports for each Committee were in the process of being prepared.

The Leader reported that he was pleased with the outcomes of the Committees, and it was proposed that they would be further strengthened for the next Municipal year with a clear plan for each at the outset, as well as increased outcomes and policies. He noted the ambitious Corporate Plan and that subsequently the Committees would have a large workload to deliver.

Questions were asked of the Leader, which focussed on the following:-

- The difference between the Policy Development and Delivery Committees and Scrutiny;
- The need for a written explanation for the Audit Committee on the Policy Development and Delivery Committee's outlining their role and how they link with the Council's objectives;
- Some areas of work / policy development would take longer than others due to the expanse of the topic
- End of year reports being supplied to the Audit Committee
- Responsibility for setting the work plan for the Committees – Corporate Lead Officers with the Chair; and
- Proposed change of title to Policy Development Committees for the next Municipal year

**Resolved** that:-

- 1) The update on the Policy Development and Delivery Committees be noted;
- 2) The Audit Committee be supplied with a written explanation of the role of the Policy Development and Delivery Committees as well as their link with the corporate objectives;
- 3) The Audit Committee be supplied with the end of year reports for the Policy Development and Delivery Committees for the current Municipal year;

- 4) The Audit Committee be supplied with the structure / work plan for the next Municipal year for each Policy Development and Delivery Committee, including expected outcomes and timelines.

**74 Head of Service Update for Moderate Assurance Reports.**

The Head of Cultural Services, supported by the Leisure Operations Manager, provided an update since the service's previous internal audit.

The Head of Cultural Services reported that all medium risks the majority of the low risks identified in the Audit had been addressed and resolved. Two low risk remained outstanding, but there were processes in place to address them.

Following questions from the Committee, the Head of Cultural Services clarified that the main risks which had been identified by Audit were in relation to spending restrictions, transparency, correct sign offs and lapsed Disclosure and Barring Service (DBS) checks for existing staff.

It was requested that at future meetings, the copy of the relevant audit reports being discussed were included in the agenda papers in order for the Committee to be reminded of the issues highlighted.

**Resolved** that the update be noted.

**75 PSIAS Peer Review Report.**

The Chief Auditor presented the PSIAS Peer Review Report for information and Susan Powell, Cardiff Council also attended for the purposes of the report.

Susan Powell provided a brief overview of the process she undertook in preparing her report and highlighted the six recommendations made which were outlined at Appendix 2 of the report.

Questions were asked in respect of the progress of appraisals and the perceived lack of independence of Chief Auditor.

**Resolved** that the contents of the report be noted.

**76 Internal Audit Charter 2018/19.**

The Chief Auditor presented a report on the Internal Audit Charter 2018/19. He specifically highlighted the Charter outlined in Appendix 1 of the report, which included the following: -

- Definition of Internal Audit;
- Role and Function of Internal Audit;
- Scope of Internal Audit;
- Independence of Internal Audit;
- Consultancy Role of Internal Audit;

- Fraud, Bribery and Corruption Role of Internal Audit;
- Internal Audit Resources; and
- Quality Assurance and Improvement Programme

Questions were asked in respect of the management responsibility of the Chief Auditor as well as the ability to deliver the Charter and provide Quality Assurance in light of staff cuts.

**Resolved** that the Internal Audit Charter 2018/19 be approved.

## **77 Internal Audit Annual Plan 2018/19.**

The Chief Auditor presented a report on the Internal Audit Annual Plan 2018/19. He specifically highlighted paragraph 2.3 of the report which reported the reduction 0.4 of a post for 2018/19 compared to 2017/18. This was not a new development, but was not reported in 2017. A summary of the work planned was provided at Appendix 2 of the report. The Chief Auditor reported that the plan provided sufficient coverage across departments. Appendix 3 of the report provided a more detailed breakdown of the work planned.

A discussion ensued and centred around the following: -

- Taxi Framework Contract;
- Concerns over any further staff cuts and the effect that they would have on the Audit Section effecting their ability to carry out their function effectively;
- Potential risks of not completing all items scheduled on the Annual Plan;
- Whether sufficient work would be completed to allow the Chief Auditor to make an Assurance Statement;
- Lack of Governance Framework in the Annual Plan; and
- Provision of more information on areas of work shown on the Annual Plan so it would be easier to see more specifically what areas were being examined.

The Chair sought approval from the Committee to discuss a few amendments to the Annual Plan with the Chief Auditor outside of the Committee. The amendments were specifically in relation to governance issues and links with the corporate objectives. The Committee approved this approach and it was agreed that the amended Annual Plan be reported to the next meeting of the Audit Committee.

**Resolved** that: -

- 1) The Internal Audit Plan 2018/19 be approved subject to a few refinements to be discussed with the Chief Auditor and Chair; and
- 2) The amended Internal Audit Plan 2018/19 be provided at the next meeting of the Audit Committee.

## **78 Internal Audit Section - Fraud Function Anti-Fraud Plan for 2018/2019.**

The Corporate Fraud Team Investigator presented the report on the Anti-Fraud Plan for 2018/2019. He noted that the report had been written by the former Corporate Fraud Manger who had now retired. It was envisaged that the Anti-Fraud Plan for

2018/2018 produced by the Corporate Fraud Manager would remain relatively unchanged.

The Corporate Fraud Team Investigator reported that they were the newly titled Fraud Function and he highlighted the following: -

- Obligation to combat fraud;
- Principles of tackling fraud;
- Ensuring the counter fraud response is comprehensive and effective;
- The Council's existing Anti-Fraud and Corruption Policy as well as other corporate policy statements;
- Nolan Principles;
- The aims of the Anti-Fraud Plan;
- Measuring the value of the Fraud Function;
- Focussing Fraud Function resources;
- Anti-Fraud Risk Assessment Checking 2018/19 provided in Appendix 1 of the report;
- Anti-Fraud Statement 2018/19 provided in Appendix 2 of the report; and
- Anti-Fraud Plan 2018/19 provided at Appendix 3 of the report.

Questions were asked of the presenting Officers who responded accordingly. Questions focussed on: -

- Effect of Universal Credit on Housing Benefit Fraud;
- Best Practice of contractors;
- Management of workload with reduced staff;
- Monitoring of invoice fraud both corporately and within schools;
- Suspension of Right to Buy Scheme;
- Success of the Fraud Function;
- Increasing demand for the service resulting from increased awareness of the Fraud Function;
- Desire for more proactive work to be undertaken;
- Possibility of liaising with Fraud Colleagues in NHS and Wales Audit Office where relevant;

**Resolved** that the report be approved subject to resources being kept under review.

## **79 Audit Committee Action Tracker Report.**

The Chief Auditor provided an Action Tracker report for information.

It was noted that there was an uncompleted item on the Action Tracker dating back to 2016 and whether some of the older years could now be removed from the tracker.

**Resolved** that the contents of the report be noted.

## **80 Audit Committee Work Plan. (For Information)**

The Audit Committee Work Plan was reported for information.

The Chair with the approval of the Committee requested that an update be provided at the next meeting on the recommendation made by the Audit Committee Performance Review 2016/2017 as there was a further review due in June 2018.

**Resolved** that:-

- 1) The Chair and Chief Auditor discuss the Work Plan for the 2018/2019 Municipal year; and
- 2) An update be provided at the next meeting of the Audit Committee on the Audit Committee Performance Review 2016/2017.

The meeting ended at 3.52 pm

**Chair**



# Agenda Item 6



## Report of the Chief Auditor

Audit Committee – 12 June 2018

### **Internal Audit Annual Plan 2017/18 Monitoring Report for the Period 1 January 2018 to 31 March 2018**

<b>Purpose:</b>	This report shows the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 January 2018 to 31 March 2018.
<b>Policy Framework:</b>	None.
<b>Reason for Decision:</b>	To allow the Audit Committee to discuss and monitor progress against the Internal Audit Annual Plan 2017/18.
<b>Consultation:</b>	Legal, Finance, Access to Services.
<b>Recommendation(s):</b>	It is recommended that Committee review and discuss the work of the Internal Audit Section and note the contents of the report.
<b>Report Author:</b>	Simon Cockings
<b>Finance Officer:</b>	Simon Cockings
<b>Legal Officer:</b>	Sandie Richards
<b>Access to Services Officer:</b>	Sherill Hopkins

#### **1. Introduction**

- 1.1 The Internal Audit Annual Plan 2017/18 was approved by the Audit Committee on 28<sup>th</sup> March 2017 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 1<sup>st</sup> January 2018 to 31<sup>st</sup> March 2018.

**2. Audits Finalised 1 January 2018 to 31 March 2018**

- 2.1 Due to the Chief Auditor's retirement at the end of March 2017, plans were put in place to allow the implementation of the Audit Section's restructure from April 2017. Competitive interviews took place resulting in the appointment of one of the Senior Auditors as the new Principal Auditor. This has resulted in the loss of one full time equivalent post from 2017/18 onwards.

- 2.2 The Internal Audit Section has seen a significant increase in the levels of sickness in the 4<sup>th</sup> quarter of 2017/18 with a total of 32.5 days sickness absence. It should be noted that 28 days of this related to one part time member of staff being on long term sick during the period. Cumulative sickness absence to date stands at 149.5 days against a projected annual budget of 80 days.

- 2.3 A total of 40 audits were finalised during Quarter 4. 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.

- 2.4 An analysis of the audits finalised during the 4<sup>th</sup> Quarter is shown in the following table.

Assurance Level	High	Substantial	Moderate	Limited
Number	13	26	1	0

- 2.5 A total of 332 audit recommendations were made and management agreed to implement all but one of the recommendations i.e. 99.7% against a target of 95%.

- 2.6 All recommendations made are classified as high risk, medium risk, low risk or good practice. An analysis of the recommendations agreed during Quarter 4 is shown in the following table

High Risk	Medium Risk	Low Risk	Good Practice	Total
1	38	204	88	331

- 2.7 In addition, the Internal Audit Section also certified the following grants in the quarter as required by the terms and conditions of the grant issued by the Welsh Government.

<b>Grant</b>	<b>Amount £</b>
Education Improvement Grant 2017/18 Q3	n/a
Suresprung Work Choice Programme	n/a

2.8 The Audit Plan is a 'living' document which is likely to change during the course of the year due to e.g. emerging risks or new priorities. However it is important that the Audit Committee can monitor progress against the Plan approved at the start of the year. To achieve this, Appendix 2 shows each audit included in the Plan approved by Committee in March 2017 and identifies the position of each audit as at 31 March 2018.

2.9 The following table shows brief details of the significant issues which led to the moderate ratings issued in the quarter.

<b>Audit</b>	<b>Social Care Contracts</b>
<b>Objectives</b>	In April 2014, Social Care contracts came under the jurisdiction of the Council's Contract Procedure Rules for the first time. The audit reviewed the progress made to date in ensuring all contracts comply with CPRs.
<b>Assurance Level</b>	Moderate
<b>Reasons</b>	
<ul style="list-style-type: none"> <li>The Contract Register states whether each contract is compliant with the Council's Contract Procedure Rules (CPRs) and the Public Contract Regulations 2015. As at December 2017, 94 contracts were shown as being non-compliant. Of these, 74 were the responsibility of Social Services and 20 for Poverty &amp; Prevention.</li> <li>Another key issue that was identified was the varying versions of terms and conditions within existing social care contracts and the different forms of contracts in being.</li> <li>A Commissioning Review has been undertaken of Domiciliary Care and Cabinet has approved the options within the paper. A project group has been established which is chaired by the Community Integration Manager. This is a major commissioning exercise and involved officers from across the Council. As a result, we were advised that it will be at least a year before a new framework agreement can be established.</li> <li>Based on the audit testing undertaken, it was found that a number of contracts are not currently compliant with CPRs or the Public Contract Regulations 2015, however a significant amount of work is ongoing to address this known weakness.</li> </ul>	

- 2.10 An analysis of the details in Appendix 2 shows that by the end of March 2018, approximately 86% of the Audit Plan was either completed or in progress.
- 2.11 The Internal Audit Section was also involved in the following work during quarter 4:
- Continuation of work on the National Fraud Initiative 2016.
  - Familiarisation with the new online school meals system 'sQuid'.
  - Investigation into the financial management at a Primary School.

### **3. Follow Ups Completed 1 January 2018 to 31 March 2018**

- 3.1 The follow up procedures operated by the Internal Audit Section include visits to any non-fundamental audits which received a moderate or limited level of assurance to confirm and test that action has been taken by management to address the concerns raised during the original audit.
- 3.2 The follow up visit is usually within 6 months of the final report being issued and includes testing to ensure that any high or medium risk recommendations have been implemented. Where agreed recommendations have not been implemented, this will be reported to the appropriate Head of Service (or Chair of the Governing Body in the case of schools) and the Head of Financial Services and Service Centre (Section 151 Officer).
- 3.3 Follow-up reviews were completed in relation to recommendations made following two special investigations. Testing confirmed that in both cases significant action had been taken to implement the recommendations that had been made.
- 3.4 No standard follow-up reviews were completed in relation to moderate assurance audit reports in the quarter, as these are scheduled to be completed in quarter 1 of 2018/19. A significant amount of Officer's time in quarter 4 is dedicated to the completion of the fundamental audits.

### **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 2017/18

**Appendices:** Appendix 1 Internal Audit – Monitoring Report Quarter 4 2017/18  
Appendix 2 Internal Audit Plan 2017/18 – Progress to 31/03/18

## INTERNAL AUDIT - MONITORING REPORT QUARTER 4 2017/18

Head of Service	Audit	Date Finalised	Assurance Level	Recommendations		
				Made	Agreed	Not Agreed
Child & Family Services	Adoption Allowances	04/01/18	High	3	3	0
Housing & Public Protection	Housing Rents	12/01/18	High	4	4	0
Education Learner Support Service	Ethnic Minority Achievement Unit	22/01/18	High	5	5	0
Education Learner Support Service	LAC Coordinator	29/01/18	High	5	5	0
Education Planning & Resources	Pontarddulais Comprehensive School	01/02/18	High	4	4	0
Legal & Business Intelligence	Debt Recovery Process - Legal	19/02/18	High	7	7	0
Digital & Transformation	Change Control - Oracle	26/02/18	High	2	2	0
Financial Services & Service Centre	Short term Care	05/03/18	High	4	4	0
Highways & Transportation	Clydach - Finance & Admin	06/03/18	High	3	3	0
Digital & Transformation	ICT Data Storage	13/03/18	High	3	3	0
Education Planning & Resources	Cefn Hengoed Comprehensive School	15/03/18	High	4	4	0
Education Planning & Resources	Penyrheol Comprehensive School	21/03/18	High	10	10	0
Education Planning & Resources	YGG Bryn Tawe	14/03/18	High	3	3	0
Education Improvement	Challenge Advisors	04/01/18	Substantial	6	6	0
Financial Services & Service Centre	Direct Payments - Adult and Child & Family	17/01/18	Substantial	3	3	0
Education Planning & Resources	St Illtyd's RC Primary School	24/01/18	Substantial	9	9	0
Education Planning & Resources	Ysgol Crug Glas	24/01/18	Substantial	5	5	0
Education Learner Support Service	Music Service	25/01/18	Substantial	11	11	0
Education Planning & Resources	Llanrhidian Primary School	29/01/18	Substantial	7	7	0
Education Planning & Resources	Pentre'r Graig Primary School	29/01/18	Substantial	12	12	0
Education Planning & Resources	Oystermouth Primary School	30/01/18	Substantial	10	10	0
Education Planning & Resources	Whitestone Primary School	09/02/18	Substantial	10	10	0
Education Planning & Resources	Tre Uchaf Primary School	09/02/18	Substantial	15	15	0
Education Learner Support Service	Home Tuition Service	09/02/18	Substantial	7	7	0
Waste Management & Parks	Waste Enforcement	09/02/18	Substantial	12	12	0
Adult Services	Staff Development & Training Section	15/02/18	Substantial	11	11	0
Education Planning & Resources	YGG Lon Las	16/02/18	Substantial	10	10	0
Education Planning & Resources	Clydach Primary School	19/02/18	Substantial	10	10	0
Financial Services & Service Centre	Cashiers Office	01/03/18	Substantial	9	9	0
Education Planning & Resources	Blaenymaes Primary School	06/03/18	Substantial	20	20	0
Cultural Services	Branch Libraries	09/03/18	Substantial	15	15	0
Education Planning & Resources	Ysgol Gymraeg y Cwm	12/03/18	Substantial	14	13	1
Education Planning & Resources	Pontybrenin Primary School	13/03/18	Substantial	14	14	0

## INTERNAL AUDIT - MONITORING REPORT QUARTER 4 2017/18

Financial Services & Service Centre	Accounts Receivable	13/03/18	Substantial	13	13	0
Adult Services	Home Care	14/03/18	Substantial	14	14	0
Education Planning & Resources	YGG Tirdeunaw	20/03/18	Substantial	13	13	0
Education Planning & Resources	Cwmrhydyceirw Primary School	23/03/18	Substantial	10	10	0
Adult Services	Client & Property Finance	26/03/18	Substantial	7	7	0
Planning & City Regeneration	Development & Physical Regeneration	29/03/18	Substantial	7	7	0
Adult Services	Social Services - Social Care Contracts	05/03/18	Moderate	1	1	0
<b>Total</b>				<b>332</b>	<b>331</b>	<b>1</b>

## INTERNAL AUDIT ANNUAL PLAN 2017/18

Head of Service	Risk Rating	Progress as at 31/03/18
<b>Head of Education Planning &amp; Resources</b>		
Brynmill Primary School	Medium	Final Issued
Casllwchwr Primary School	Medium	Final Issued
Craigcefnparc Primary School	Medium	Final Issued
Glais Primary School	Medium	Final Issued
Llangyfelach Primary School	Medium	Final Issued
YGG Gellionnen	Medium	Final Issued
St Illtyds RC Primary School	Medium	Final Issued
Clase Primary School	Medium/High	Final Issued
Gendros Primary School	Medium	Final Issued
Gorseinon Primary School	Medium/High	Final Issued
Pentre'r Graig Primary School	Medium	Final Issued
Craigfelen Primary School	Medium	Final Issued
Cwmrhydyceirw Primary School	Medium	Final Issued
Llanridian Primary School	Medium	Final Issued
Oystermouth Primary School	Medium	Final Issued
Parkland Primary School	Medium	Final Issued
Penllergaer Primary School	Medium	Final Issued
Tre Uchaf Primary School	Medium	Final Issued
Whitestone Primary School	Medium	Final Issued
Ynystawe Primary School	Medium	Final Issued
Ysgol Cymraeg y Cwm	Medium	Final Issued
YGG Llwynderw	Medium	In Progress
YGG Lon Las	Medium	Final Issued
YGG Pontybrenin	Medium	Final Issued
YGG Tirdeunaw	Medium	Final Issued
YGG Tan-y-Lan	Medium	Final Issued
Bishopston Comprehensive School	Medium	Final Issued
Cefn Hengoed Comprehensive School	Medium	Final Issued
Pontarddullais Comprehensive School	Medium	Final Issued
Ysgol Gyfun Bryn Tawe	Medium	Final Issued
Ysgol Crug Glas	Medium	Final Issued
School Funding & Information	Medium/High	In Progress
Capital Planning & Delivery Unit	Medium	Final Issued
<b>Head of Education Improvement</b>		
Challenge Advisers	Medium	Final Issued
<b>Head of Education Learner Support Service</b>		
EOTAS Pathways	Medium	Final Issued
Home Tuition Service	Medium	Final Issued
LAC Co-ordinator	New	Final Issued
Ethnic Minority Achievement Unit	Medium	Final Issued
School Kitchens	Medium	Deferred
Catering Service Headquarters	High	Final Issued
Music Service	Medium	Final Issued



## INTERNAL AUDIT ANNUAL PLAN 2017/18

Head of Service	Risk Rating	Progress as at 31/03/18
<b>Education - Other</b>		
School Uniform Grant	N/A	Final Issued
Education Improvement Grant	N/A	Final Issued
Pupil Deprivation Grant	N/A	Final Issued
Schools Annual Report	N/A	Final Issued
<b>Head of Child &amp; Family Services</b>		
Independent Agency Payments	High	Final Issued
Nant-y-Felin Children's Home	Medium	Final Issued
Adoption Allowances	Medium	Final Issued
Foster Swansea	Medium	Deferred
<b>Head of Adult Services</b>		
Home Care	Medium/High	Final Issued
Supporting People Team	Medium	Final Issued
Supporting People Grant	N/A	Final Issued
Live Kilometre Support Grant	N/A	Final Issued
Cyrenians - Lessons Learned	N/A	Final Issued
Deprivation of Liberty Safeguards	N/A	Final Issued
Emergency Placements	New	Final Issued
CREST	Medium	Final Issued
<b>Directorate Services</b>		
Client Property and Finance	Medium	Final Issued
Staff Development and Training Section	Medium	Final Issued
<b>Head of Poverty &amp; Prevention</b>		
Partnerships, Performance & Commissioning	New	Draft Issued
Play Team	Low	Final Issued
<b>Head of Corporate Building &amp; Property Services</b>		
Heol y Gors - Estimating	Medium	Final Issued
Enjergy Management	Medium/Low	Final Issued
<b>Head of Waste Management</b>		
Waste Enforcement	New	Final Issued
Specilaist Parks Services	Medium	Final Issued
Parks Buildings	Medium	Final Issued
<b>Head of Highways &amp; Transportation</b>		
Home to School Transport	Medium	Final Issued
Concessionary Bus Fares	N/A	Final Issued
Swansea Marina	Medium	Final Issued
Clydach Depot - Finance and Admin	Medium	Final Issued
Swansea Highways Partnership	New	In Progress
<b>Head of Housing &amp; Public Protection</b>		
Townhill District Housing Office	Medium	Final Issued
Sketty District Housing Office	Medium/Low	Final Issued
Voids Team / Homes Preparation Unit	Medium	Final Issued
Renewal Areas	Medium	Final Issued
<b>Head of Cultural Services</b>		

## INTERNAL AUDIT ANNUAL PLAN 2017/18

Head of Service	Risk Rating	Progress as at 31/03/18
Morrison Leisure Centre	Medium	Final Issued
Penlan Leisure Centre	Medium	Final Issued
Penyrheol Leisure Centre	Medium/High	Final Issued
Penyrheol Theatre	Medium/High	Final Issued
Glynn Vivian Art Gallery	Medium	Final Issued
Archives	Medium/Low	Final Issued
Spot Checks	Medium	Final Issued
Brangwyn Hall and Guildhall Catering	Medium	Final Issued
<b>Head of Planning &amp; City Regeneration</b>		
Development Projects and Joint Ventures	Medium	Final Issued
Planning & Enforcement	New	In Progress
Planning - AONB	Medium	Final Issued
<b>Head of Communications &amp; Customer Engagement</b>		
Scrutiny	Medium	Final Issued
<b>Head of Finance &amp; Delivery</b>		
Cashiers Office	Medium/High	Final Issued
Write-off Requests by Departments	N/A	Final Issued
Cashiers Write Offs	N/A	Deferred
Car Loans	Low	Final Issued
Risk Management	High	Deferred
Private Residential Care Charges	Medium/High	Deferred
Funded Nursing Care	Medium	Draft Issued
Short Term Care	Medium	Final Issued
Abacus Income Collection	N/A	Final Issued
TSB Accounts	Medium/High	Final Issued
Learning Disability Recharges	New	Deferred
<b>Head of Legal &amp; Democratic Services</b>		
Freedom of Information	New	Deferred
Debt Recovery Process	High	Final Issued
<b>Head of Human Resources</b>		
Officers Expenses	Medium	Final Issued
Emergency Planning and Civil Contingencies	Medium	Draft Issued
<b>Head of Information &amp; Business Change</b>		
Project Management Methodology	New	Deferred
Strategic Projects - Administration	N/A	Final Issued
<b>Head of Commercial Services</b>		
No planned audits		Final Issued
<b>Fundamental Systems</b>		
Payroll	High	In Progress
Pensions Administration	High	In Progress
Teachers Pensions	Medium	Final Issued
Accounts Receivable	High	Final Issued
Business Rates	Medium	In Progress
Pension Fund Investments	Medium/High	Final Issued

## INTERNAL AUDIT ANNUAL PLAN 2017/18

Head of Service	Risk Rating	Progress as at 31/03/18
Housing Rents	Medium	Final Issued
Housing & Council Tax Benefit	Medium	Draft Issued
Capital Accounting	Medium	In Progress
<b>Contract Audits - Systems</b>		
<b>Legal</b>		
Liquidations, Insurance Cover & Performance Bonds	Medium/High	Deferred
<b>Highways &amp; Transportation</b>		
Control of Contracts	Medium/High	Final Issued
<b>Corporate Building Services</b>		
Tendering	Medium/High	Final Issued
Housing Systems Overview	Medium	Deferred
Housing Renewal Areas	Medium	Deferred
<b>Social Services</b>		
Tendering, Letting & Monitoring	New	Final Issued
<b>Computer Audits</b>		
File Controls	Medium	In Progress
Data Storage	Medium	Final Issued
Network Controls - Corporate Network	Medium	In Progress
Firewall Controls - Corporate Network	Medium	In Progress
Payment Card Industry - Data Security Standard	Medium	Deferred
e-Commerce Controls	Medium	Deferred
Physical and Environmental Controls	Medium/High	Deferred
Computer Operations	Medium/High	Deferred
Application Controls - Flare System	Medium	In Progress
Application Controls - Fostercare System	Medium	Deferred
Application Controls - CRM System	N/A	Deferred
Change Control - Oracle	High	Final Issued
Digital Strategy	High	Deferred
Extraction of Data - Miscellaneous	N/A	Final Issued
<b>Contract Audits</b>		
Final Accounts	N/A	Final Issued
Financial Appraisal of Contractors for Tenders	N/A	Final Issued
<b>Cross Cutting Audits</b>		
Corporate Governance Review	New	Deferred
Partnerships - Overview and Governance	New	Deferred
Review of Corporate Risks	Medium/High	Final Issued
Added Value Work	N/A	Final Issued
Delegated Decision Making	New	Deferred
Ethics & Values	New	Deferred
Review of Senior Management Assurance Statements	New	In Progress
Officer's Code of Conduct	New	Final Issued
Whistleblowing Policy	New	Final Issued
<b>Miscellaneous Audits</b>		
Swansea Bay Port Health Authority	Medium	Final Issued

## INTERNAL AUDIT ANNUAL PLAN 2017/18

Head of Service	Risk Rating	Progress as at 31/03/18
<b>Projects and Special Investigations</b>		
Unpresented Cheques > £2,000	N/A	Final Issued
Galileo Audit Management System	N/A	Final Issued
Annual Plan & Annual Report	N/A	Final Issued
Health & Safety Group	N/A	Final Issued
Recommendations Tracker	N/A	Final Issued
Follow Ups	N/A	Final Issued
Development of Audit Programmes	N/A	Final Issued
Compliance with Pay Policy	N/A	Final Issued
P Card Review of Purchases	N/A	Final Issued
PSIAS External Assessment	N/A	Final Issued



## Report of the Chief Auditor

Audit Committee – 12 June 2018

### Audit Committee - Performance Review 2016/17 Update

<b>Purpose:</b>	This report provides an update following the Audit Committee Performance Review 2016/17.
<b>Policy Framework:</b>	None
<b>Consultation:</b>	Legal, Finance and Access to Services.
<b>Recommendation(s):</b>	It is recommended that Committee discuss the update on the key findings of the 2016/17 performance review and consider any relevant points as part of the 2017/18 performance review.
<b>Report Author:</b>	Simon Cockings
<b>Finance Officer:</b>	Simon Cockings
<b>Legal Officer:</b>	Debbie Smith
<b>Access to Services Officer:</b>	Sherill Hopkins

#### 1. Introduction

- 1.1 The Audit Committee's annual performance review for 2016/17 was facilitated by the Wales Audit Office in February 2017.
- 1.2 Overall, the outcome of the Performance Review was that the Audit Committee felt that it is performing well against the Core Principles. However, some areas for improvement were noted in relation to Committee involvement and awareness of Risk Management. It was also felt that there were a number of issues which could be addressed during the year which would allow the Committee to provide a greater level of assurance to the Council.

- 1.3 Committee were provided with an update report in November 2017 outlining the progress that had been made to date against the key findings of the performance review. The update included a number of proposals aimed at further developing the Committee in line with the findings of the review. Unfortunately, as a result of the then Chair of the Committee giving notice of his intention to resign from post, the proposals and key findings were not progressed any further as the Chair wasn't in attendance at any further meetings.
  - 1.4 A new Chair was appointed in March 2018 and it is envisaged that any relevant key findings outstanding will be considered as part of the forthcoming performance review for 2017/18.
  - 1.5 A summary of the key findings arising from the 2016/17 performance review can be found in Appendix 1, together with a brief narrative to update committee as to the actions that have been taken to date.
- 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 – Performance Review 2016/17 – Key Findings**

## PERFORMANCE REVIEW 2016/17 - KEY FINDINGS UPDATE

Key Finding	Progress to Date
1. Risk Management - provide more detailed information (Risk Register) to Audit Committee	In order to provide more information to Committee, periodic updates from the Business Performance Manager have been added to the Committee Workplan. Committee has also received Risk Management Training as well as an overview of the updated Risk Management Policy and Framework. Committee members have also been granted access to the Corporate Risk Register.
2. Risk Management – develop ‘what if’ scenarios	
3. Other regulators – see the work of other regulators at the Council (CSSIW, Estyn, PSoW)	As reported to Committee in November 2017 it is envisaged that the periodic updates from the Business Performance Manager will include information covering these areas.
4. Tracking of recommendations – central place for all recommendations	Not progressed – to be discussed as part of the 2017/18 performance review if still considered to be relevant.
5. Tracking of recommendations – look at timescales – is 12 months too long?	
6. Meeting with the Audit Committee in private – should all members of Audit Committee meet with WAO rather than just the Chair?	
7. Good Practice – look at other bodies e.g. Police, NHS	The proposal for committee member to consider attendance at other bodies Audit Committee meetings to identify any best practices that may be adopted was included in the update report presented to Committee in November 2017. A proposal was also put forward for discussion in relation to inviting contacts from other bodies Audit Committees to attend meetings to provide feedback. These proposals were not progressed.
8. Good Practice – WAO to signpost good examples	The proposal for Wales Audit Office to suggest any best practice identified from work with other Audit Committees was included in the update report presented to Committee in November 2017. However, this was not progressed.
9. Development of Audit Committee – look at other Audit Committee’s to benchmark and for good practice	As per the update for key finding number 7.
10. Development of Audit Committee – train with members of other Audit Committee’s	As per the update for key finding number 7.
11. Attendance – improve attendance from Members and Officers	Not progressed – to be discussed as part of the 2017/18 performance review if still considered to be relevant.

## City & County of Swansea

### Audit Committee Update – June 2018

#### Financial audit work 2017-18 – City & County of Swansea Pension Fund

Activity	Scope	Status
<b>Audit Plan</b>	Plan of financial audit work for 2017-18.	Audit Committee March 2018.
<b>Financial Statements/Annual Audit Letter</b>	Audit of the Pension Fund's 2016-17 financial statements and Annual Audit Letter.	Planned Audit Committee September 2018.

#### Financial audit work 2017-18 – City & County of Swansea

Activity	Scope	Status
<b>Audit Plan</b>	Plan of financial audit work for 2017-18.	Audit Committee March 2018.
<b>Financial Statements 2017-18</b>	Audit of the Council's 2017-18 financial statements.	Planned Audit Committee and Council September 2018.
<b>Certification of Grants and Returns 2017-18</b>	Summary of grants and returns certification work 2017-18.	Planned Audit Committee January 2019.
<b>Annual Audit Letter</b>	Report summarising our 2017-18 financial audit work.	Planned Audit Committee January 2019.



## Performance Audit work - City &amp; County of Swansea

2017-18 Improvement Assessment	Scope	Status
<b>Corporate Improvement Plan Audit</b>	Checks Council compliance with Local Government Measure (Wales) 2009 requirement to set improvement objectives.	Certificate issued September 2017.
<b>Improvement Plan Audit</b>	Checks Council compliance with Local Government Measure (Wales) 2009 requirement to publish a self-assessment of performance in the previous year by 31 October.	Certificate issued November 2017.
<b>Annual Improvement Report (AIR)</b>	Annual report summarising the audit work undertaken in the last year which also includes a summary of the key findings from reports issued by 'relevant regulators'.	Planning.
<b>Wellbeing &amp; Future Generations Year one commentary</b>	Year one commentary on WFG/Baseline Gather evidence on how the 44 bodies are beginning to respond to the requirements of the WFG Act and identify examples of notable emerging practice. There is no local report it is intended the baseline will inform a commentary to be published Summer 2018.	Complete. National report published on WAO website.
<b>Overview and Scrutiny – Fit for the Future</b>	This review will examine the impact of the WFG Act on the work of scrutiny committees including PSB scrutiny, facilitating improvement and sharing of good practice.	Reporting.

2017-18 Improvement Assessment	Scope	Status
<b>Service User Review</b>	To gather evidence and insight into the extent to which services respond to the needs and expectations of service users both in their design and delivery.	Reporting. This work focused on the Council's housing tenants and supplemented the WHQS review below.
<b>Aligning Levers of change</b>	<p>The purpose of this review is to support the development of local action that will promote positive practice and help identify barriers to be addressed. The review will assist councils to:</p> <ul style="list-style-type: none"> <li>• refine current arrangements in Councils by promoting what is working well, identifying any barriers and developing local improvement opportunities; and</li> <li>• facilitate sharing of practice between Councils.</li> </ul>	Following discussion with officers, it was agreed that this work would not go ahead.
<b>Housing/WHQS Local Project</b>	To determine whether the Council has effective arrangements in place to enable it to engage with residents in meeting the WHQS by 2022.	Reporting.
<b>Digital Risk</b>	Diagnostic.	Reporting.

2016-17 Local Government Studies		Scope	Status
Improving wellbeing through housing adaptations	We will review how adaptations prevent access to and speed up discharge from hospitals. The work will look at how health use adaptations to underpin their activity as well as how efficient and effective organisations are at procuring and delivering adaptations work.	Report published February 2018. C&CS has not been selected to take part in the detailed fieldwork of this study.	
Strategic commissioning of learning disability services by local authorities	Fieldwork will focus on the corporate approach to strategic commissioning but also use findings from the tracer area to understand how effective operational arrangements are. We are working with CSSIW and SSIA and will be building on recent national inspection and support work on learning disabilities.	Report published May 2018. C&CS has not been selected to take part in the detailed fieldwork of this study.	
How local government manages demand - Homelessness services	The study will focus on homelessness in local authorities using the recent prevention duties placed on local authorities to judge how demand for services is managed.	Report published January 2018. C&CS was a fieldwork site.	
2017-18 Local Government Studies		Scope	Status
Services to rural communities	The study will focus on whether local government uses its resources to deliver services that meet the needs of rural communities today and in the longer term.	In progress. C&CS has not been selected to take part in the detailed fieldwork of this study.	
Using data effectively	This study will seek to identify whether councils' corporate management arrangements for managing and using data are leading to better decision making in the use of resources. The study will collect information from all councils in Wales.	In progress.	

2018-19 Local Government Studies	Scope	Status
<b>First point of contact assessments under the Social Services and Well-being (Wales) Act 2014</b>	<p>The Welsh Government introduced the Social Services and Well-being (Wales) Act 2014 (the 2014 Act) which focuses on reforming and simplifying the law relating to social services. The 2014 Act introduced new duties for local authorities, local health boards and other public bodies and covers adults, children and their carers, and came into force on 6 April 2016. The study will review first point of contact and assessments for adult social care.</p> <p>Detailed fieldwork in five local authorities. We are planning to undertake fieldwork in Cardiff City Council, Denbighshire County Council, Merthyr Tydfil County Borough Council, Pembrokeshire County Council and Carmarthenshire County Council.</p>	<p>Project set up.</p>
<b>Tackling violence against women, domestic abuse and sexual violence</b>	<p>In 2015 the Welsh Government passed the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act (the 2015 Act). The overarching objective of the 2015 Act is to improve the Public Sector response to violence against women, domestic abuse and sexual violence; provide a strategic focus on these issues; and ensure consistent consideration of preventative, protective and supportive mechanisms in the delivery of services. The review will focus on determining whether local authorities and their partners are effectively working together to prevent gender-based violence and domestic abuse, and protecting all of the people involved.</p> <p>Our fieldwork sites are the City &amp; County of Swansea, Conwy County Borough Council, Flintshire County Council, Rhondda Cynon Taff County Borough Council, South Wales Police and South Wales Fire and Rescue Authority.</p>	<p>Project set up.</p>

2018-19 Local Government Studies (continued)	Scope	Status
<b>Planning Services: Improving the wellbeing of Wales</b>	<p>Planning services are an important part of the democratic jigsaw that allows the detailed consideration of proposals to improve the economic prospects of the nation. Good planning decisions can have a positive impact on the wellbeing of people and places. Poor planning decisions can have a detrimental impact on people's wellbeing and can stifle economic development. This study will provide independent assurance that planning authorities are supporting sustainable development and delivering for the future long-term wellbeing of their communities and for Wales.</p> <p>We are planning to undertake fieldwork in Bridgend County Borough Council, Gwynedd County Council, Newport City Council, Torfaen County Borough Council and Ceredigion County Council.</p>	<p>Project set up.</p>

National Studies	Update and link to report
Waste management	Recycling module (clearance); waste prevention and waste treatment infrastructure modules (drafting).
NHS Wales informatics services	Published 10 January 2018. <a href="#">Link</a> to published report.
Access to public services with the support of specialist interpretation and translation	Published 25 April 2018. <a href="#">Link</a> to published report.
Early intervention and public behaviour change	Drafting.
Welsh Government business finance	Drafting (phase 1).
Primary care	Published April 2018. <a href="#">Link</a> to published report.
Youth services	Fieldwork.
Rural Development Programme 2014-2020	Drafting.
European Structural Funds Programme 2014-2020	Drafting.
Integrated Care Fund	Fieldwork.
Care experienced children and young people – audit work to support ongoing Public Accounts Committee inquiry	Scoping.



## Report of the Corporate Director (Resources)

Audit Committee – 12 June 2018

### WAO Proposals for Improvement: Six-month Status Update

Purpose:	The report presents an overview of the status of Swansea Council's response to proposals for improvement made by WAO to provide assurance to the Committee on progress.
Report Author:	Richard Rowlands
Finance Officer:	Paul Roach
Legal Officer:	Debbie Smith
Access to Services Officer:	Sherill Hopkins
<b>For Information</b>	

#### 1. Background

- 1.1 The Audit Committee requested a regular overview on the status of the Council's response to WAO proposals for improvement.

#### 2. Overview of progress

- 2.1 This is the second six monthly report, which reviews progress and describes next steps to meet the proposals for improvement made by WAO in reports concerning Swansea Council.
- 2.2 The detail is set out in Appendix A.

#### 3. Equality and Engagement Implications

- 3.1 There are no direct equality and engagement implications from this report.

#### **4. Legal Implications**

4.1 There are no direct legal implications.

#### **5. Financial Implications**

5.1 There are no direct financial implications.

### **For Information**

**Background papers:** *None*

**Appendices:** Appendix A - WAO Proposals for Improvement: Six-month status update report



## Appendix A

### Audit Committee 12 June 18

#### WAO Proposals for Improvement – Six month Status update report

Swansea Council is tracking proposals for improvement made by the WAO.

Some of these proposals are very similar to each other and are grouped together where appropriate.

The following is a summary of progress and next steps.

<ul style="list-style-type: none"><li>• <b>WAO Corporate Assessment 2014/15 Proposal P4.</b> Ensure service business plans consistently incorporate workforce and asset management requirements as expected in corporate guidance.</li></ul>	
Progress	Next Steps
Senior managers have been issued with an updated Workforce Plan for completion and supported through workshops. Service plans include relevant assets sections supported by a corporate approach to managing assets.	Completion of Service Planning 2018/19 and review Annual Workforce Plan. Corporate landlord budgets for utilities, rental outgoings to be “centralised” during 2018/19. Simple landlord “tenant” agreement to be implemented across service areas.

<b>WAO Annual Improvement Report 2015/16 Proposal P2.</b> Improve external reporting of performance by: <ul style="list-style-type: none"><li>• developing the Council’s website;</li><li>• engaging user groups;</li><li>• assessing readability and comprehension, and;</li><li>• assessing opportunities to communicate performance information using different media.</li></ul>	
Progress	Next Steps
A new ICT system Data, Action & Risk Tool (DART) to gather performance data is complete; the reporting functionality is being developed as part of a rolling development programme.	Completion of the work to develop DART reporting functionality. Investigate with technology partner further possible options for improving performance reporting.

**WAO Annual Improvement Report 2015/16 Proposal P4** Improve performance management by increasing the coverage, positive impact and frequency of formal staff appraisals.

**Progress**

A live online appraisal functionality is in place in addition to the paper-based process. An annual appraisal audit sample is undertaken to provide an assessment of implementation of the process.

**Next Steps**

Continue to review the implementation of employee performance management process. Review of behaviours and competencies due in 2018/19.

**WAO Annual Improvement Report 2015/16 Proposal P5** Ensure timescales for the delivery of specific savings proposals are realistic and act to drive delivery.

**WAO Annual Improvement Report 2015/16 Proposal P6** Ensure responsibility for delivery of planned savings is assigned to specific managers' services.

**WAO Savings Planning 2017/18 P1**

Strengthen financial planning arrangements by:

- ensuring that savings plans are sufficiently well developed and risk assessed before inclusion in the budget;
- assigning responsibility for the delivery of all planned savings to specific managers' services.

**Progress**

A 4-year costed plan has been developed for the current budget cycle, including specific / assured as well as transformational savings – as detailed in the MTFP. All savings are assigned to a lead Head of Service / Director over the next 4 years.

**Next Steps**

A 4-year tracker is being developed and tested to capture savings from *Sustainable Swansea* and emphasise delivery.

Identify policy options for closing any savings gaps evident at the latter end of the 4-year plan.

**WAO Good Governance 2016/17 Proposal P1** Improve public access to information about the Council's Commissioning Review activity and outcomes by linking together all the website information about the overall programme and signposting its availability

**Progress**

Meeting held with web and internal communications teams to identify and discuss options.

**Next Steps**

External web pages are being designed. A video will be developed explaining the overarching aims of the programme. A collection of outcome success stories across a selection of the original commissioning reviews will also be available for the public to view.

**WAO Good Governance 2016/17 Proposal P2** Whilst potential financial savings are consistently identified the Council should ensure that the process for concluding a review consistently identifies the intended impact for service users and the means by which that impact will be evaluated in the future

**Progress**

Meeting held with web and internal communications teams to identify and discuss options.

**Next Steps**

Outcomes will be demonstrated using success stories; a series will be developed and published for the public on the improved web pages.



## Report of the Corporate Director (Resources)

Audit Committee – 12 June 2017

### Overview of the overall status of Risk Quarter 4 2017/18

Purpose:	The report presents an overview of the status of risk in the Council to provide assurance to the Committee on the effectiveness of the risk management policy and framework and its operation within the Council.
Report Author:	Richard Rowlands
Finance Officer:	Paul Roach
Legal Officer:	Debbie Smith
Access to Services Officer:	Sherill Hopkins
<b>For Information</b>	

#### 1. Background

- 1.1 The Audit Committee requested on the 11<sup>th</sup> July an overview every quarter on the overall status of risk in the Council to give assurance that the risk management process is being followed.
- 1.2 This report covers the Quarter 4 2017/18 period and compares a snapshot of the Council's risk registers taken at 28/12/17 with another snapshot taken on 27/03/18.

#### 2. Equality and Engagement Implications

- 2.1 There are no direct equality and engagement implications from this report.

#### 3. Legal Implications

- 3.1 There are no legal implications.

#### **4. Financial Implications**

4.1 There are no financial implications.

#### **For Information**

**Background papers:** *None*

**Appendices:** Appendix A - Summary of the overall status of risk within the Council Quarter 4 2017/18.

## Audit Committee – 12 June 18

### Summary of the overall status of risk within the Council – Quarter 4 2017/18

The following report summarises the overall status of risk within Swansea Council.

The report for the Quarter 4 period compares a snapshot of the Council's risk registers taken at 28/12/17 with another snapshot taken on 27/03/18.

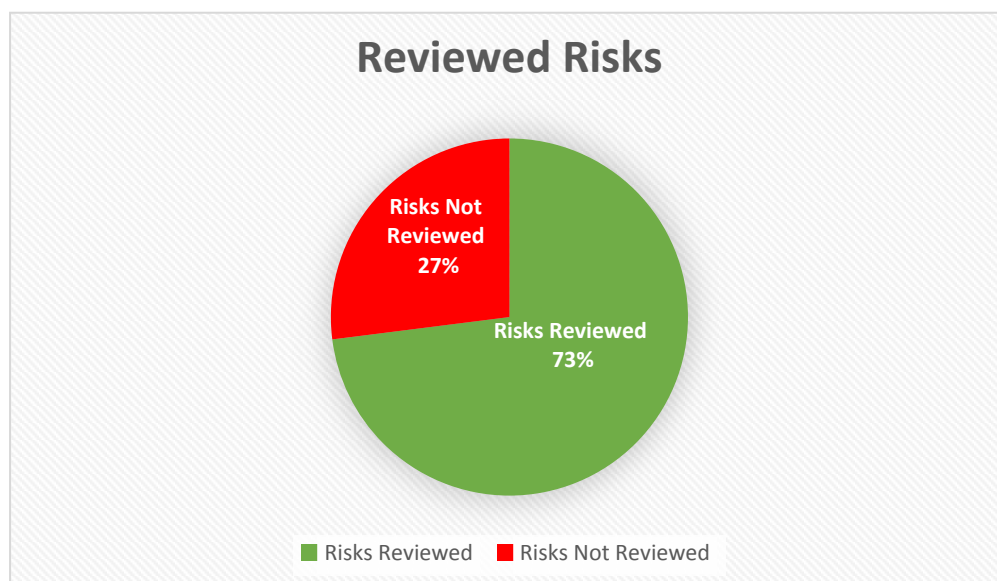
### Overall Risk Status – Quarter 4 2017/18

The table below illustrates overall risk status as at 28/12/17 and 27/03/18

	Low Risk	Medium Risk	High Risk
28/12/17	16	126	31
27/03/18	13	137	31
+ - change	-3	+11	0

### Summary – changes to the registers during Quarter 3 2017/18

- 73% of the risks that were in place as at 28/12/17 were recorded as having been reviewed as at 27/03/18.



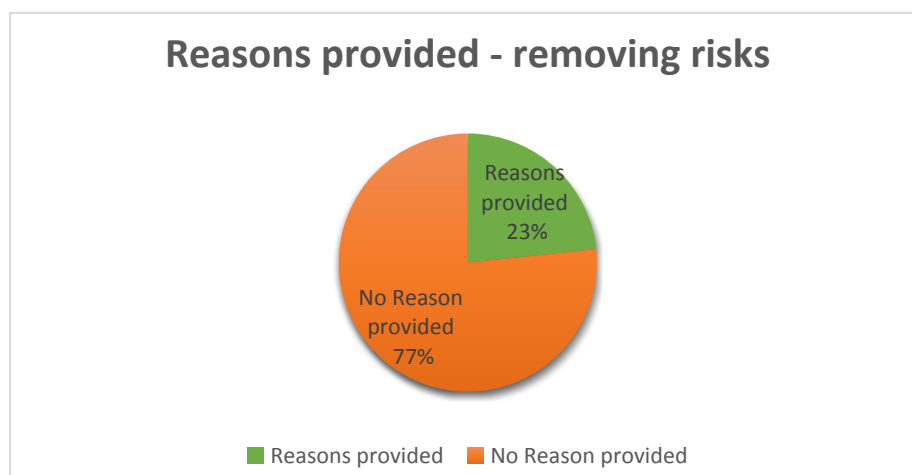
- 68 new risks were added to the registers.

Low Risk	Medium Risk	High Risk
4	51	13

- 60 risks were closed.

Low Risk	Medium Risk	High Risk
7	40	13

- 14 out of the 60 (23%) risks that were closed had reasons for doing so recorded.



- 12 risks were escalated compared to 11 risks in Quarter 3.
- The overall RAG status of 6 risks were changed. All 6 (100%) had reasons for doing so recorded.

### **Other observations**

- Controls and actions are in place for all risks on the registers.
- The majority of actions and controls to mitigate risks are current.
- 73% of risks were recorded as having been reviewed at Quarter 4, which is a significant increase on 49% of risks reviewed in the third quarter.
- The main issue identified at Quarter 4 2017/18 is the need for risk owners to ensure that they record onto the risk register the reasons for closing risks.

### **Developments**

- The review of the Corporate Risks following the production of the Corporate Plan 2017-22 is complete; the Corporate Risk register records the revised risks.
- Audit Committee now has access to the Corporate Risk Register. Two Members have reported not being able to access the register; the ICT department is exploring a solution.

## Appendix 1 – Summary of Corporate Risk Register

http://staffnet02/RiskRegister/default.aspx?mess=Your+session+has+timed+out.+Please+try+again

Risk Register - Risk List

richard rowlands

Filter by... Category: All Responsible Officer: All Archived Risks Filter Save Reports

Previous Next

Risk Id	Risk Title	Category	View	Edit	Responsible Officer	Date Last Updated	Updated By	Overall Audit RAG	Audit History
CR 79	Local Government Reorganisation	Corporate Governance	<a href="#">View</a>	<a href="#">Edit</a>	phil roberts	27/03/2018	CCOS\PHIL.ROBERTS	A	<a href="#">View History</a>
CR 80	Financial Control and Sustainable Swansea	Corporate Finance	<a href="#">View</a>	<a href="#">Edit</a>	ben smith	27/03/2018	CCOS\RICHARD.ROWLANDS	R	<a href="#">View History</a>
CR 81	City Centre	Corporate Plan Priorities	<a href="#">View</a>	<a href="#">Edit</a>	martin nicholls	19/04/2018	CCOS\MARTIN.NICHOLLS	A	<a href="#">View History</a>
CR 82	Safeguarding	Corporate Plan Priorities	<a href="#">View</a>	<a href="#">Edit</a>	david howes	27/03/2018	CCOS\RICHARD.ROWLANDS	A	<a href="#">View History</a>
CR 83	Pupil attainment and achievement	Corporate Plan Priorities	<a href="#">View</a>	<a href="#">Edit</a>	nick williams	27/03/2018	CCOS\RICHARD.ROWLANDS	A	<a href="#">View History</a>
CR 84	Tackling poverty	Corporate Plan Priorities	<a href="#">View</a>	<a href="#">Edit</a>	chris silvers	27/03/2018	CCOS\RICHARD.ROWLANDS	A	<a href="#">View History</a>
CR 85	Workforce Strategy	Corporate Governance	<a href="#">View</a>	<a href="#">Edit</a>	sarah caulkin	27/03/2018	CCOS\RICHARD.ROWLANDS	A	<a href="#">View History</a>
CR 86	Digital, data and information security	Corporate Governance	<a href="#">View</a>	<a href="#">Edit</a>	sarah caulkin	27/03/2018	CCOS\RICHARD.ROWLANDS	A	<a href="#">View History</a>
CR 87	Emergency Planning, Resilience and Business Continuity	Corporate Governance	<a href="#">View</a>	<a href="#">Edit</a>	sarah caulkin	27/03/2018	CCOS\RICHARD.ROWLANDS	A	<a href="#">View History</a>
CR 88	Health & Safety	Corporate Governance	<a href="#">View</a>	<a href="#">Edit</a>	sarah caulkin	27/03/2018	CCOS\RICHARD.ROWLANDS	A	<a href="#">View History</a>
CR 89	New legislative and statutory requirements	Corporate Governance	<a href="#">View</a>	<a href="#">Edit</a>	tracey meredith	27/03/2018	CCOS\RICHARD.ROWLANDS	A	<a href="#">View History</a>
CR 90	Decision to leave the European Union (BREXIT)	Corporate Finance	<a href="#">View</a>	<a href="#">Edit</a>	ben smith	27/03/2018	CCOS\RICHARD.ROWLANDS	A	<a href="#">View History</a>
CR 91	Tax evasion	Corporate Finance	<a href="#">View</a>	<a href="#">Edit</a>	ben smith	27/03/2018	CCOS\RICHARD.ROWLANDS	A	<a href="#">View History</a>

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## Report of the Chief Auditor

Audit Committee – 12 June 2018

### Draft Audit Committee Training Programme 2018/19

<b>Purpose:</b>	This report details the draft Audit Committee Training Programme for 2018/19.
<b>Policy Framework:</b>	None
<b>Consultation:</b>	Legal, Finance and Access to Services
<b>Recommendation(s):</b>	It is recommended that Committee reviews and approves the Audit Committee Training Programme for 2018/19.
<b>Report Author:</b>	Simon Cockings
<b>Finance Officer:</b>	Simon Cockings
<b>Legal Officer:</b>	Debbie Smith
<b>Access to Services Officer:</b>	Sherill Hopkins

#### 1. Introduction

- 1.1 A draft Training Programme for 2018/19 is included in Appendix 1. The dates included for the meetings in 2018/19 are subject to approval by Council.
- 1.2 Guidance issued by Cipfa in 2013 recommended the following Core Areas of Knowledge for Audit Committee Members:
  - Audit Committee Role and Functions
  - Internal Audit
  - Governance & Values of Good Governance
  - Financial Management and Accounting
  - External Audit
  - Risk Management
  - Counter Fraud

1.3 A summary of the details of the core knowledge required may also be found in Appendix 1.

**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 Training Programme 2018/19.**

## AUDIT COMMITTEE TRAINING PROGRAMME 2018/19

Date of Meeting	Topic	Details of Core Knowledge Required
12 June 2018	<p>Audit Committee Role and Function - Audit Committee Initial Training (Ben Smith)</p> <p>Risk Management (Richard Rowlands)</p>	<p><i>An understanding of the audit committee's role and place within the governance structures. Familiarity with the committee's terms of reference and accountability arrangements. Knowledge of the purpose and role of the audit committee.</i></p> <p><i>Understanding of the principles of risk management, including linkage to good governance and decision making. Knowledge of the risk management policy and strategy of the organisation. Understanding of risk governance arrangements, including role of members and of the audit committee.</i></p>
17 July 2018 – Special	<p>Financial Management and Accounting (Amanda Thomas)</p> <p>Governance (Debbie Smith)</p>	<p><i>Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them</i></p> <p><i>Understanding of good financial management principles. Knowledge of how the organisation meets the requirements of the Chief Financial Officer, as required by the CIPFA Statement.</i></p> <p><i>Knowledge of the six principles of the Good Governance Framework and the requirements of the Annual Governance Statement (AGS). Knowledge of the local code of governance.</i></p>
14 August 2018	Internal Audit (Simon Cockings)	<i>An awareness of the key principles of the Public Sector Internal Audit Standards and the Local Government Application Note. Knowledge of the arrangements for delivery of the internal audit service in the authority and how the role of the Head of Internal Audit is met.</i>

<b>Date of Meeting</b>	<b>Topic</b>	<b>Details of Core Knowledge Required</b>
11 September 2018	External Audit (WAO)	<p><i>Knowledge of the role and functions of the external auditor and who currently undertakes this role.</i></p> <p><i>Knowledge of the key reports and assurances that external audit will provide.</i></p> <p><i>Knowledge about arrangements for the appointment of auditors and quality monitoring undertaken.</i></p>
9 October 2018	Counter Fraud (Jeff Fish)	<p><i>An understanding of the main areas of fraud risk the organisation is exposed to. Knowledge of the principles of good fraud risk management practice (Red Book 3). Knowledge of the organisation's arrangements for tackling fraud.</i></p>



## Report of the Chief Auditor

Audit Committee – 12 June 2018

### Audit Committee – Workplan 2018/19

<b>Purpose:</b>	This report details the Audit Committee Workplan to May 2019
<b>Report Author:</b>	Simon Cockings
<b>Finance Officer:</b>	Simon Cockings
<b>Legal Officer:</b>	Debbie Smith
<b>Access to Services Officer:</b>	Sherill Hopkins
<b>For Information</b>	

#### 1. Introduction

- 1.1 The Audit Committee's Workplan to May 2019 is attached in Appendix 1 for information.
- 1.2 The dates included for the meetings in 2018/19 are subject to approval by Council.

#### 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 2018/19

**Appendix 2 –** Audit Committee Statement of Purpose

Audit Committee Workplan 2018/19

Terms of Reference	12 June 2018	26 June 2018 (Special)	17 July 2018	14 August 2018	11 September 2018	9 October 2018	11 December 2018	12 February 2019	9 April 2019
<b>Training</b>	Audit Committee Initial Training  Risk Management		Financial Management & Accounting  Governance	Internal Audit	External Audit	Counter Fraud			
<b>Governance</b>	Election of Chair & Vice Chair  Audit Committee Training Programme 2018/19		Draft Annual Governance Statement 2017/18	Draft Audit Committee Annual Report 2017/18	Final Audit Committee Annual Report 2017/18	Chair of Scrutiny Programme Committee			
<b>Internal Audit</b>	Internal Audit Monitoring Report Q4 2017/18  Performance Review 16/17 Action Plan Update Report			Internal Audit Annual Report 2017/18  Audit Committee Review of Performance 2017/18 Action Plan	Internal Audit Monitoring Report Q1 2018/19	Annual Report of School Audits 2017/18  Chief Education Officer response to Schools Audit Report	Internal Audit Monitoring Report Q2 2018/19  Recommendation Tracker Report 2017/18	Internal Audit Monitoring Report Q3 2018/19  Internal Audit Annual Plan Methodology Report 2019/20	Internal Audit Charter 2019/20  Internal Audit Annual Plan 2019/20
<b>Risk Management &amp; Performance</b>	WAO Proposals for Improvement Report – Six Month Update  Overview of the Overall Status of Risk Report Q4 2017/18			Overview of the Overall Status of Risk Report Q1 2018/19		Overview of the Overall Status of Risk Report Q2 2018/19		WAO Proposals for Improvement Report – Six Month Update  Overview of the Overall Status of Risk Report Q3 2018/19	Overview of the Overall Status of Risk Report Q4 2018/19
<b>Counter Fraud</b>					Corporate Fraud Annual Report 2017/18				Corporate Fraud Annual Plan 2019/20
<b>External Audit</b>		Audit Committee Review of Performance 2017/18			WAO ISA 260 Report 2017/18 – CCS  WAO ISA 260 Report 2017/18 – Pension Fund		WAO Annual Audit Letter 2017/18	WAO Grants Report 2017/18  WAO Annual Audit Plan 2018/19 CCS & Pension Fund	Audit Committee Review of Performance 2018/19
<b>Financial Reporting</b>			Draft Statement of Accounts 2017/18  Letters of Representation CCS & Pension Fund				Review of Reserves Report  Treasury Management & Budgetary Control Update		

Note: Audit Committee Action Tracker Report and Audit Committee Workplan will be included as agenda items at each meeting. An update from WAO will also be on the agenda for each meeting.

**Audit Committee Statement of Purpose**

1. Our audit committee is a key component of the City and County of Swansea's corporate governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
2. The purpose of our audit committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of the City and County of Swansea's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

**Governance, Risk and Control**

3. To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
4. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances.
5. To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
6. To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
7. To monitor the effective development and operation of risk management in the Council.
8. To monitor progress in addressing risk related issues reported to the committee.
9. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
10. To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
11. To monitor the counter fraud strategy, actions and resources.

**Internal Audit and External Audit**

12. To approve the internal audit charter and resources.
13. To consider the head of internal audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
14. To consider summaries of specific internal audit reports as requested.
15. To consider reports dealing with the management and performance of the providers of internal audit services.
16. To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
17. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
18. To consider specific reports as agreed with the external auditor.
19. To comment on the scope and depth of external audit work and to ensure it gives value for money.



20. To commission work from internal and external audit.

**Financial Reporting**

21. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

22. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

**Accountability Arrangements**

23. To report to full Council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee is meeting its purpose.

*Note: Audit Committee Statement of Purpose extracted from the Council Constitution (31.01.18).*



## Report of the Chief Auditor

Audit Committee – 12 June 2018

### 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>	Simon Cockings
<b>Finance Officer:</b>	Simon Cockings
<b>Legal Officer:</b>	Debbie Smith
<b>Access to Services Officer:</b>	Sherill Hopkins
<b>For Information</b>	

#### 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 In the past, the Committee has had no transparency over the outcomes of the actions minuted by the Committee. As a result, an Action Tracker process was put in place in 2016/17.
- 1.3 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 2016/17 and 2017/18 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 2017/18**

**Appendix 2 – Action Tracker 2016/17**

<b>AUDIT COMMITTEE ACTION TRACKER 2017/18</b>	
<b>Action</b>	<b>Outcome</b>
<b>10/04/18 Min 73 – Work of Policy Development &amp; Delivery Committees</b>	
The Audit Committee be supplied with a written explanation of the roles of the Policy Development & Delivery Committees (PDDC's) as well as their link with corporate objectives.	
The Audit Committee be supplied with the end of year report for PDDC's for the current Municipal year.	
The Audit Committee be supplied with the structure/work plan for the next Municipal year for each of PDDC including expected outcomes and timelines.	
<b>10/04/18 Min 77 – Internal Audit Plan 2018/19</b>	
The Internal Audit Plan 2018/19 was approved subject to a few refinements to be discussed with the Chief Auditor and Chair. An amended Audit Plan to be provided at the next meeting of the Audit Committee.	Following discussions with the Chair it was agreed that the 2018/19 Audit Plan remain unchanged with any suggested revisions to be incorporated into future plans. CLOSED
<b>10/04/18 Min 80 – Audit Committee Performance Review 16/17 Update</b>	
An update is to be provided to Audit Committee on the actions arising from the 2016/17 Performance Review.	Update report provided at committee meeting 12/06/18. CLOSED
<b>08/03/18 Min 67 – Internal Audit Monitoring Report – Moderate Reports</b>	
The Chief Auditor is to write to all Heads of Service (HoS) and Directors to inform them of Committees decision to invite all HoS to attend the next Audit Committee Meeting to explain the action that will be taken to address any points arising in any moderate or limited assurance reports that have been presented to Committee as part of the Chief Auditor's Quarterly Monitoring Report. A summary e-mail outlining the new agreed process to be distributed to all Committee Members once the minutes of the meeting on the 08/03/18 have been published.	E-mail outlining the new process was sent to all HoS and Directors on 22/03/18 as requested.  E-mail outlining the agreed new process was distributed to all Committee Members on 23/03/18. CLOSED

<b>08/03/18 Min 67 – Internal Audit Monitoring Report – Moderate Reports</b>	
On issuing a moderate or limited assurance audit report, the relevant Cabinet Member should also be included in the distribution list when the final report is issued.	The relevant Cabinet Member will be included in the distribution list for any moderate and limited assurance reports from 08/03/18. Principal Auditor has been instructed to ensure this is in place going forward. CLOSED
<b>08/03/18 Min 68 – Amendments to Contract Procedure Rules</b>	
Once the amendments to the Contract Procedure Rules have been finalised, a copy should be forwarded to all School's Governing Bodies to make them aware of the changes. Schools are also to be requested to ensure the amended CPR's are included as an agenda item on the next Finance Committee and Building/Property Committee Meeting.	
<b>12/12/17 Min 53 – Good Governance When Determining Significant Service Changes</b>	
The impact of the proposed cuts included in the 2018-19 budget and the potential impact upon the Internal Audit Section was discussed. It was resolved that the Chair, on behalf of the Audit Committee, writes to the Chief Executive highlighting concern regarding the potential impact of the proposed cuts on the Internal Audit Section.	Letter was sent to the Chief Executive on 20/12/17 as requested. Letter and response presented to Committee on 08/03/18 for information. - CLOSED
<b>12/12/17 Min 56 – Internal Audit Monitoring Report Q2 17/18</b>	
The appropriate Head(s) of Service are requested to attend the next scheduled meeting in order to update the Committee regarding the progress in respect of their moderate audit ratings.	As agreed at the meeting on the 08/03/18 those HoS that have received reports with moderate assurance ratings will be invited to attend the next committee meeting to explain how they are addressing the issues identified. Staggered invitations commenced from 10/04/18 meeting, and as they arise going forward. - CLOSED
<b>26/09/17 – Procurement in Schools</b>	
A meeting to be arranged with Procurement and Education representatives do discuss procurement issues at schools as identified in the Annual Report of School Audits. An update on Procurement is to be provided in the February meeting.	Meeting was held with representatives from Education, Procurement and Audit on 18/01/18. Feedback from the meeting provided to Audit Committee on 08/03/18. CLOSED

<b>11/07/17 – Performance Review Development of the Audit Committee</b>	
In relation to the Audit Committee Performance Review findings, the Chair of the Audit Committee is to investigate the possibility of reinstating regional working groups for Chairs/Audit Committee Members to consider joint training and benchmarking possibilities.	Due to the departure of the previous Chair, no action has been taken to date. This and other development actions will be picked up as part of the next Performance Review initially scheduled for June 2018 with the new Chair in post. -CLOSED
<b>11/07/17 Min 16 – Draft Statement of Accounts</b>	
The Section 151 Officer be requested to provide Committee with an update regarding the funding of reserves and overall good financial management.	Section 151 Officer is due to attend the December meeting to provide an update on the review of reserves and overall budget monitoring/control. - CLOSED
<b>20/06/17 Min 5 – Work Programme</b>	
A description to accompany items within the Work Programme be provided in future.	Standard agenda items have been highlighted in bold in the workplan. CLOSED

## Appendix 2

<b>AUDIT COMMITTEE ACTION TRACKER 2016/17</b>	
<b>Action</b>	<b>Outcome</b>
<b>28/03/17 Min 78 – Procurement Processes</b>	
Procurement procedures being linked to risk.	Contract Procedure Rules are currently being revised. Covered by 08/03/18 Min 68 Amendments to Contract Procedure Rules - 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. Reminder e-mail sent to CW 26/07/17 and 29/03/18. Confirmed by Procurement that workshops will no longer be facilitated in the same format as those in 2016 due to resources. Training event for Headteachers is scheduled for 05/07/18. Details distributed to committee members on 01/05/18 should they wish to attend. – CLOSED

*(Note: Appendix 3 – previously closed actions have been removed. The two actions above remained open at the last meeting. Now that they are closed the Action Tracker for 2016/17 will not be published in further reports.)*