



**Dinas a Sir Abertawe**

**Hysbysiad o Gyfarfod**

Fe'ch gwahoddir i gyfarfod

## **Pwyllgor Archwilio**

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

**Dyddiad:** Dydd Mercher, 29 Ionawr 2020

**Amser:** 2.00 pm

**Cadeirydd:** Paula O'Connor

### **Aelodaeth:**

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

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## **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 Cynllun Blynyddol Archwilio Mewnol ar gyfer 2019/20 - Adroddiad Monitro ar gyfer y cyfnod o 1 Gorffennaf 2019 i 30 Medi 2019. (Simon Cockings)** 1 - 17
- 4 Adroddiad Archwilio'r Blaendraeth a Gosodiadau 18/19. (Jamie Rewbridge)** 18 - 28
- 5 Y Gwasanaeth Glanhau - Diweddariad am Ganfyddiadau'r Adroddiad Archwilio Mewnol 2019/2020. (Jeremy Davies)** 29 - 39
- 6 Gwasanaeth Datgelu a Gwahardd - Adroddiad Archwiliad Mewnol Terfynol 2019-2020. (Llafar) (Sian Williams)**
- 7 Adroddiad Dilynol am Argymhelliad yr Archwiliad Mewnol - Chwarter 2 2019/20. (Simon Cockings)** 40 - 45
- 8 Adroddiad Orlhain Camau Gweithredu'r Pwyllgor Archwilio. (Er Gwybodaeth) (Jeremy Parkhouse)** 46 - 50
- 9 Cynllun Gwaith y Pwyllgor Archwilio. (Er Gwybodaeth) (Jeremy Parkhouse)** 51 - 62

**Cyfarfod nesaf:** Dydd Mawrth, 11 Chwefror 2020 ar 2.00 pm

*Huw Evans*

**Huw Evans**

**Pennaeth Gwasanaethau Democrataidd**

**Dydd Mercher, 22 Ionawr 2020**

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**Cyswllt: Gwasanaethau Democrataidd: - 636923**

# Agenda Item 3



## Report of the Chief Auditor

Special Audit Committee – 29 January 2020

### Internal Audit Annual Plan 2019/20 - Monitoring Report for the Period 1 July 2019 to 30 September 2019

<b>Purpose:</b>	This report shows the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 July 2019 to 30 September 2019.
<b>Policy Framework:</b>	None.
<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>	Tracey Meredith
<b>Access to Services Officer:</b>	Rhian Millar

#### 1. Introduction

- 1.1 The Internal Audit Annual Plan 2019/20 was approved by the Audit Committee on 9<sup>th</sup> April 2019. This is the first quarterly monitoring report to be presented to Committee. Further reports will be 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> July 2019 to 30<sup>th</sup> September 2019.

## 2. Audits Finalised 1 July 2019 to 30 September 2019

2.1 A total of 25 audits were finalised during the quarter. 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. Appendix 2 provides a summary of the scope of the reviews finalised during the period.

2.2 An analysis of the assurance levels of the audits finalised is shown in the following table.

Assurance Level	High	Substantial	Moderate	Limited
Number	9	13	3	0

2.3 A total of 203 audit recommendations were made and management agreed to implement 201 recommendations, i.e. 99% of the recommendations made were accepted against a target of 95%.

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

High Risk	Medium Risk	Low Risk	Good Practice	Total
4	27	123	47	201

2.5 The implementation status for those audits that have been subject to a standard follow-up in the quarter is reported separately in the Recommendation Follow-up Report. This include all follow-ups completed, except for the fundamental audits as the outcome of these follow-up reviews is reported to committee via the Fundamental Audit Recommendation Tracker Report.

2.6 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.

Grant	Amount
Regional Consortium School Improvement Grant (RCSIG / EIG) 2018/19	£8,968,203 (£9,408,028 inc. Match Funding)
Pupil Deprivation Grant (PDG) 2018/19	£7,469,677
LEA Disadvantaged Learners Grant	£2,887,214
SPPG Main Grant 2018/19	£14,086,658 (£178,000 income from partners)

2.7 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 3 shows each audit included in the Plan approved by Committee in April 2019 and identifies the position of each audit as at 30<sup>th</sup> September 2019.

2.8 An analysis of the details in Appendix 3 shows that by the end of September 2019, 35% of the planned reviews had been completed to at least draft report stage, with an additional 42% of the planned audits in progress. As a result approximately 77% of the Audit Plan was either completed or in progress.

2.9 Three moderate reports were issued in the quarter. The following tables provide brief details of the significant issues which led to the moderate ratings.

2.10

<b>Audit</b>	<b>Foreshores &amp; Lettings 2019/20</b>
<b>Objectives</b>	The objectives of the Audit were to ensure that material business risks have been identified and that the controls in place are adequate for the purpose of minimising business risk and are operating in practice. The audit included the review and testing of controls established by management in the following areas: Foreshore Lettings (children’s rides), Langland Bay Huts, Boat Parks, Expenditure, Caravan park.
<b>Assurance Level</b>	Moderate
<b>Summary of Key Points</b>	
<ol style="list-style-type: none"> <li>1. Sample testing of foreshore lettings revealed that the invoice for one tenderer had not been raised until August 2018 and that at the time of the audit, no payment had been made against the invoice. It was also noted that the tenderer in question had an outstanding debt relating to the invoice raised for the 2016/17 season. (MR)</li> <li>2. Sample testing of seasonal hires and lease extensions for 2018/19 revealed that in some instances receipt books and collection &amp; deposit books could not be located. (MR)</li> <li>3. Spot checks of the boat parks managed by the service revealed that a significant number of boats were parked illegally (owner unknown) and also a significant number of know occupiers had not paid fees for parking, with some not paying since 2013/14. A review of the records for one site (Village Lane) revealed that no income had been received for parking at the site for a number of years, with arrears dating back approximately ten years. (MR)</li> <li>4. As reported in previous audits, a number of boats were noted as being illegally parked (owner unknown) and despite previous recommendations advising action should be taken to address this, no action had been taken. It was confirmed that the service had attempted to confirm the protocol for removing the illegally parked</li> </ol>	

boats but this had not been concluded. (MR)

5. Sample testing to confirm that caravan park site holders had paid the relevant site fees revealed that one site holder had not paid their 2018/19 site fee and no action had been taken to recover the outstanding debt. The site holder had also been invoiced for the 2019/20 site fee which also remained unpaid at the time of the audit. (MR)

2.11

Audit	Cleansing Services 2019/20
<b>Objectives</b>	The objectives of the audit were to ensure that material business risks have been identified and that the controls in place are adequate for the purpose of minimising business risk and are operating in practice. The audit reviewed the procedures in place and included detailed testing on the following areas: Employees, vehicles, expenditure, stock, income, inventory, purchase cards and travel claims.
<b>Assurance Level</b>	Moderate
<b>Summary of Key Points</b>	
<p>1. There was no authorised signatory listing in place within the service. It was therefore impossible to confirm whether submitted timesheets had been approved by an authorised officer. (MR)</p> <p>2. Some workers within the service were notes as working a manual flexitime system. When reviewed, the parameters of the scheme did not correspond to those of the Council’s Flexitime Policy with the following differences being noted:</p> <ul style="list-style-type: none"> <li>a) Start times prior to 7.30am - with some as early as 5.40am.</li> <li>b) Credit balances carried forward exceeding 12.00 hrs, with one as high as 59 hrs.</li> <li>c) More than one flexi leave day in a period.</li> </ul> <p>We were advised that these amendments to the corporate Flexitime Policy had been approved by the previous Group Leader (Parks &amp; Cleansing) in order to meet operational needs. However, evidence of this approval could not be provided. (HR)</p> <p>3. A report was obtained from Oracle listing all suppliers with whom the Service had spent more than £5k in 2018/19. A check was then carried out to confirm that corporate contracts were in place or that quotations had been obtained. Two suppliers were found where there was no contracts in place and quotations had not been obtained. (MR)</p> <p>4. A sample of Officers travel claims was selected for testing from the period January-February 2019. For three of the officers, it was not possible to confirm whether the mileage claimed was accurate. (MR)</p> <p>5. A check was carried out to confirm that driving licence and vehicle documents had been checked on an annual basis. It was found that evidence of appropriate vehicle insurance had not been</p>	

checked for two of the employees in our sample. (MR)

2.12

Audit	Disclosure & Barring Service 2019/20
<b>Objectives</b>	The objectives of the audit were to ensure that material business risks have been identified and that the controls in place are adequate for the purpose of minimising business risk and are operating in practice. The scope of the review covered the following: Internal procedures, processing of DBS applications, review of posts, reports & Monitoring, DBS checks relating to new employees to the Authority, DBS checks relating to existing employees, renewals, payments to Powys County Council, recharging of departments and system Access / Confidentiality.
<b>Assurance Level</b>	Moderate
<b>Summary of Key Points</b>	
<ol style="list-style-type: none"> <li>1. An internal spreadsheet is maintained of all those DBS checks that generate an adverse return on the EBulk system, these are classified as being 'on hold'. Risk assessments are conducted on employees subject to adverse returns to ascertain whether those individuals are considered fit for practice. Ten 'on hold' cases on the EBulk system were compared to the information on the spreadsheet. It was noted that one of the adverse returns was not recorded anywhere on the internal monitoring spreadsheets, which meant no further follow up or risk assessment had been undertaken for this employee, despite the adverse DBS result. (MR)</li> <li>2. DBS' for schools are centrally monitored on spreadsheets with those due to expire the soonest highlighted. We were informed that the spreadsheets should be updated weekly by the DBS Team with details of the actions undertaken for those due to expire recorded. A sample of two Comprehensive &amp; three Primary schools' spreadsheets were examined and it was found that despite the 'weekly' review by the Service Centre Helpdesk Officers, a total of nine employee DBS' had expired and not been renewed. These employees would have appeared on the EBulk reports two months before their DBS expiry date in order to allow sufficient time for the renewal process. (HR)*</li> <li>3. In five of the nine cases outlined in above, risk assessments would have been required but there was no record to show that they had been undertaken. (HR)</li> <li>4. A review of the internal exception report dated May 2019 which shows updated/new positions on Oracle identified as requiring a DBS, but where the level of the DBS had yet to be recorded highlighted that there were 169 posts identified as requiring a DBS check and thus a corresponding DBS level marker on Oracle, but the DBS level had not been recorded. (MR)</li> </ol>	

5. A sample of records of employees known to require DBS checks was also examined. One case was noted where the officer had submitted their DBS application in December 2018 but had not confirmed their ID (via document verification), therefore their DBS check has not been completed. Despite this, the employee was not listed on the renewals report from the EBulk system for May 2019. It appears to that were an employee submits a DBS check on the system, but fails to complete the ID verification process, there is no subsequent follow up or monitoring of the verification process and the employee no longer appears on any of the renewal reports. (MR)  
*\*(Please note that at the time of finalising the audit, all of the expired DBS's picked up as part of the testing had been renewed and were confirmed as current)*

### **3. Follow Ups Completed 1 July 2019 to 30 September 2019**

- 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 Chief Finance Officer (Section 151 Officer).
- 3.3 Two moderate audit reports were followed up in quarter two. The audits followed up were the Young Peoples Services audit and the Accounts Receivable audit.
- 3.4 The follow up of the Young Peoples Services audit revealed that whilst progress had been made in addressing the recommendations that had been made, some recommendations had not been implemented. Committee were advised of this situation when the Youth Support Services Manager provided a verbal update to committee in the September meeting. As reported, we are due to complete a further follow up of the Young Peoples Services audit in mid-November and the results will be reported back to Committee in due course.
- 3.5 The follow up of the Accounts Receivable audit was also completed in quarter two. As this is a fundamental audit, the results of this follow up were included in the Fundamental Audit Recommendation Tracker Report which provides an update to Committee on the implementation of the recommendations made in the fundamental audits. This report was presented to the Committee in December. Note that as Accounts Receivable is subject to an internal audit on an annual basis, any



recommendations that had not been implemented at the time of the follow up review will be revisited as part of the next full annual audit.

#### **4 Equality and Engagement Implications**

4.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

4.2 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 2019/20

**Appendices:** Appendix 1 Audits Finalised Q2 2019/20  
Appendix 2 Summary of Scope of Audits Finalised Q2 2019/20  
Appendix 3 Internal Audit Plan 2019/20 - Progress to 30/09/19

## MONITORING REPORT Q2 2019/20 - AUDITS FINALISED

Head of Service	Audit Title	Date Finalised	Assurance Level	Recommendations		
				Made	Agreed	Not Agreed
Education Planning & Resources	Bishopston Primary School	01/07/19	High	8	8	0
Financial Services & Service Centre	Insurance	05/07/19	High	3	3	0
Planning & City Regeneration	Economic Developmet Admin	21/08/19	High	4	4	0
Financial Services & Service Centre	Trusts & Charities	11/09/19	High	4	4	0
Poverty & Prevention	Community Safety	14/08/19	High	6	6	0
Highways & Transportation	CTU Fuel	23/08/19	High	8	8	0
Financial Services & Service Centre	Brexit	12/09/19	High	0	0	0
Financial Services & Service Centre	Taxation VAT	19/09/19	High	0	0	0
Adult Services	Business Support Team - Adult Services	25/09/19	High	9	9	0
Education Planning & Resources	Y.G.G. Pontybrenin	04/07/19	Substantial	13	13	0
Waste Management & Parks	Waste Management	05/07/19	Substantial	9	9	0
Education Planning & Resources	Crwys Primary	08/07/19	Substantial	13	12	1
Cultural Services	Libraries Administration	15/07/19	Substantial	9	9	0
Housing & Public Health	Licensing Division	06/08/19	Substantial	18	18	0
Education Planning & Resources	Y.G.G. Felindre	12/08/19	Substantial	0	0	0
Legal, Dem.Services & Business Intelligence	Legal Services Management of Risk	21/08/19	Substantial	5	5	0
Housing & Public Health	Food & Safety Division	06/09/19	Substantial	12	12	0
Child & Family Services	Emergency Duty Team	11/09/19	Substantial	11	11	0
Financial Services & Service Centre	Grants Receivable	17/09/19	Substantial	9	8	1
Communications & Marketing	Design Print	18/09/19	Substantial	5	5	0
Housing & Public Health	Furnished Tenancy Scheme	19/09/19	Substantial	13	13	0
Education Planning & Resources	Penyrheol Primary School	20/09/19	Substantial	9	9	0
Cultural Services	Foreshores & Lettings	31/07/19	Moderate	11	11	0
Waste Management & Parks	Cleansing Service	08/08/19	Moderate	12	12	0
Financial Services & Service Centre	Disclosure & Barring Service (DBS)	26/09/19	Moderate	12	12	0
			<b>Total</b>	<b>203</b>	<b>201</b>	<b>2</b>

## MONITORING REPORT Q2 2019/20 - SUMMARY OF SCOPE OF AUDITS FINALISED

Head of Service	Audit Title	Assurance Level	Audit Scope	Key Findings / Risks
Education Planning & Resources	Bishopston Primary School	High	<i>Governance, Management of Delegated Resources, Budget Monitoring, Banking Procedures, Unofficial Funds, School Meals Income, Bank Reconciliations, Expenditure, Employees, Health &amp; Safety, Inventory, Computer Security.</i>	None
Financial Services & Service Centre	Insurance	High	<i>Standing Orders and Financial Regulations, Legal Requirements, Co-Ordination and Monitoring, Register of Insurance Policies, Claims, Insurance Records, Policy Changes, Reviews and Revaluations, Policy Renewal Dates, New Policies, Disposals, Levels of Cover, Index Linking, Claims Handler Transactions.</i>	None
Planning & City Regeneration	Economic Development Admin	High	<i>Procurement of Goods and Services (Oracle), Purchase Cards (P-Cards), Grants, Employees Records, Employee Expenses – Travel and Subsistence</i>	None
Financial Services & Service Centre	Trusts & Charities	High	<i>Procedure Notes, Management Information, Payment from Accounts, Income Collection and Depositing, Investments, Appropriate Annual Accounts and Reporting</i>	None
Poverty & Prevention	Community Safety	High	<i>Expenditure, Purchase Cards (P-Cards), Income, Grants, Inventory, Travel &amp; Subsistence Claims, Employees, Vehicles</i>	None
Highways & Transportation	CTU Fuel	High	<i>Documentation and Procedures, Issue of Fuel, Maintenance of Stock Records, Purchases of Fuel, Recharging, Data Security.</i>	None
Financial Services & Service Centre	Brexit	High	<i>The objectives of the audit were to ensure that material business risks have been identified and that business continuity planning is (as far as possible) in place to minimise the anticipated impact of a 'Hard Brexit' based on World Trade Organisation (WTO) terms. Scope included Management, Risk Assessment &amp; Action Plans and Communications and Engagement</i>	None
Financial Services & Service Centre	Taxation VAT	High	<i>The coding of input and output VAT is checked in other reviews such as Accounts Payable and income areas. This audit therefore concentrated on the arrangements centrally for ensuring that: Adequate guidance is obtained and staff are sufficiently advised, VAT returns are completed accurately and promptly, Issues specific to Local Authorities are addressed, VAT on Purchasing Card Transactions is treated correctly</i>	None
Adult Services	Business Support Team - Adult Services	High	<i>Procurement of Goods &amp; Services, Purchase Card use, Inventory, Employee Records, Travel Claims, Pool Cars</i>	None
Education Planning & Resources	Y.G.G. Pontybrenin	Substantial	<i>Governance, Management of Delegated Resources, Budget Monitoring, Banking Procedures, Unofficial Funds, School Meals Income, Bank Reconciliations, Expenditure, Employees, Health &amp; Safety, Inventory, Computer Security.</i>	<i>Official orders not being placed, significant number of low risk recommendations.</i>
Waste Management & Parks	Waste Management	Substantial	<i>Personnel Records, Travel Expenses, Expenditure including Purchase Cards (P-Cards), Income, Security &amp; Banking of Income, Computer Systems, Inventory Records</i>	<i>Non-compliance with CPR's re dispensation CP20. Lack of appropriate inventory records, number of low risk recommendations</i>

## MONITORING REPORT Q2 2019/20 - SUMMARY OF SCOPE OF AUDITS FINALISED

Education Planning & Resources	Crwys Primary	Substantial	<i>Governance, Management of Delegated Resources, Budget Monitoring, Banking Procedures, Unofficial Funds, School Meals Income, Bank Reconciliations, Expenditure, Employees, Health &amp; Safety, Inventory, Computer Security.</i>	<i>Significant number of low risk recommendations, some repeated.</i>
Cultural Services	Libraries Administration	Substantial	<i>Expenditure, P-Card expenditure, Income, Inventory, Stock, Petty Cash, Employee related expenditure including travel and subsistence, Arrears &amp; Write Offs, Internet Protection, Library System, Online Reservation System, Policies &amp; Targets, DBS Checks, Insurance</i>	<i>Significant arrears recorded where no write-off process is in place. Large number of low risk recommendations.</i>
Housing & Public Health	Licensing Division	Substantial	<i>Premises Licences, Gambling Licences &amp; Permits, Employee Expenses, Purchase Card Expenditure, Other Expenditure</i>	<i>License renewal dates not recorded in a number of instances, remote payments accepted via non-PCI compliant method, some additional low risk recommendations.</i>
Education Planning & Resources	Y.G.G. Felindre	Substantial	<i>Governance, Management of Delegated Resources, Budget Monitoring, Banking Procedures, Unofficial Funds, School Meals Income, Bank Reconciliations, Expenditure, Employees, Health &amp; Safety, Inventory, Computer Security.</i>	<i>Number of usual issues (not HR) during the final audit prior to the school closing, leading to Substantial rating.</i>
Legal, Dem.Services & Business Intelligence	Legal Services Management of Risk	Substantial	<i>Completion of Risk Assessment Checklists and Risk Management forms, Management sign-off of highlighted risks, Closure of Risk Assessment forms, Legal matters without Risks highlighted, Declarations of Conflict of Interest.</i>	<i>Some risk assessments could not be located, some low risk recommendations.</i>
Housing & Public Health	Food & Safety Division	Substantial	<i>Applications &amp; Fees, Refunds, Expenditure, Income, Grants, Personnel Records, Travel Expenses, Vehicles</i>	<i>Lack of appropriate evidence to reconcile overtime payments, plus a significant number of low risk recommendations</i>
Child & Family Services	Emergency Duty Team	Substantial	<i>Additional payments made to staff for hours worked in excess of their standard working week, Compliance with European Working Time Directive, Travel and Subsistence Expenses, Petty Cash</i>	<i>Some issues reconciling additional pay elements to rota and overtime records, significant number of low risk recommendations.</i>
Financial Services & Service Centre	Grants Receivable	Substantial	<i>Grant applications are notified and approved (using form NGA1), Award of Grant is notified to Finance (using form NGA2), A central Register of all Grants and Returns is maintained, Claims are timely and a sufficient audit trail is maintained, Adequate monitoring is carried out.</i>	<i>NGA2 forms not completed in all instances, some low risk recommendations</i>

## MONITORING REPORT Q2 2019/20 - SUMMARY OF SCOPE OF AUDITS FINALISED

Communications & Marketing	Design Print	Substantial	<i>Expenditure including Purchase Cards, Cash/Credit Income, Cash Count &amp; Security, Inventory, Petty Cash, Employee Payments including Overtime and travelling, Vehicles, Stores, Job Costing, Budget Monitoring</i>	<i>Non-adherence to CPR's for a small number of contracts tested, some low risk recommendations.</i>
Housing & Public Health	Furnished Tenancy Scheme	Substantial	<i>Furniture Packs, Property Inspections, Stock Records, Damaged/missing stock, Employee Travel Expenses, Purchase Cards, Expenditure, Vehicles.</i>	<i>Some assets misplaced, a number of low risk recommendations.</i>
Education Planning & Resources	Penyrheol Primary School	Substantial	<i>Governance, Management of Delegated Resources, Budget Monitoring, Banking Procedures, Unofficial Funds, School Meals Income, Bank Reconciliations, Expenditure, Employees, Health &amp; Safety, Inventory, Computer Security.</i>	<i>No evidence of bank reconciliations being reviewed by HT, number of low risk recommendations.</i>
Cultural Services	Foreshores & Lettings	Moderate	<i>Foreshore Lettings (children's rides), Langland Bay Huts, Boat Parks, Expenditure, Caravan park</i>	<i>See detail in the body of the Q2 Monitoring Report.</i>
Waste Management & Parks	Cleansing Service	Moderate	<i>Employees, Vehicles, Expenditure, Stock, Income, Inventory, Purchase Card, Travel Claims</i>	<i>See detail in the body of the Q2 Monitoring Report.</i>
Financial Services & Service Centre	Disclosure & Barring Service (DBS)	Moderate	<i>Internal procedures, Processing of DBS applications, Review of posts, Reports &amp; Monitoring, DBS checks relating to new employees to the Authority, DBS checks relating to existing employees, Renewals, Payments to Powys County Council, Re-charging of departments, System Access / Confidentiality</i>	<i>See detail in the body of the Q2 Monitoring Report.</i>

Audit Title	Risk Rating	Status as at 30/09/19	Corporate Priority	Days
<b>Level 1 – Cross Cutting Reviews – Council Governance &amp; Control</b>				
Corporate Governance	Med/High	In Progress	Cross Cutting	20
Delegated Decision Making	New	In Progress	Cross Cutting	10
Workforce Planning	New	In Progress	Cross Cutting	10
Ethics & Values	New	In Progress	Cross Cutting	15
Safeguarding	Med/Low	In Progress	Cross Cutting	10
Information Governance	New	In Progress	Cross Cutting	20
Corporate Performance Management	New	Planned	Cross Cutting	15
Added Value Work	n/a	Planned	Cross Cutting	10
<b>Level 2 – Fundamental Systems - Section 151 Officer Assurance</b>				
<b>Financial Services &amp; Service Centre</b>				
Employee Services	Med/High	In Progress	Section 151 Assurance	30
Pensions Administration	Med/High	In Progress	Section 151 Assurance	20
Teachers Pensions	Med	In Progress	Section 151 Assurance	15
Accounts Receivable	Med	Planned	Section 151 Assurance	35
NNDR	Med	In Progress	Section 151 Assurance	22
Pension Fund Investments	Med/High	In Progress	Section 151 Assurance	7
Housing Rents	Med	In Progress	Section 151 Assurance	20
Housing & Council Tax Benefits	Med/High	In Progress	Section 151 Assurance	40
Fixed Assets	Med	Planned	Section 151 Assurance	25
<b>Level 3 – Service Level Audits – Other Assurance</b>				
<b>Education Planning &amp; Resources</b>				
Bishopston Primary	Med	Final Issued	Education	3
Cadle Primary	High	In Progress	Education	3
Clwyd Community Primary	Med	In Progress	Education	3
Crwys Primary	Med	Final Issued	Education	3
Cwmglas Primary	Med	Planned	Education	3
Glyncollen Primary	Med	In Progress	Education	3
Grange Primary	Med	In Progress	Education	3
Gwyrosydd Primary	Med	In Progress	Education	3
Hafod Primary	Med	In Progress	Education	3
Morryston Primary	Med	Final Issued	Education	3

Pen y Fro Primary	Med	Draft Issued	Education	3
Pengelli Primary	Med	In Progress	Education	3
Pennard Primary	Med	In Progress	Education	3
Pentrechwyth Primary	Med/Low	In Progress	Education	3
Penyrheol Primary	Med	Final Issued	Education	3
Pondarddulais Primary	Med	In Progress	Education	3
Seaview Community Primary	Med	In Progress	Education	3
St Thomas Primary	Med/Low	Planned	Education	3
Waun Wen Primary	Med	In Progress	Education	3
Wauarlwydd Primary	Med	Final Issued	Education	3
YGG Felindre	Med	Final Issued	Education	3
YGG Pontybrenin	Med	Final Issued	Education	3
St David's RC Primary	Med	In Progress	Education	3
St Joseph's Cathedral Primary	Med	In Progress	Education	3
St Joseph's Catholic Primary	Med	Final Issued	Education	3
Bishop Vaughan Comprehensive	Med	In Progress	Education	10
Morrison Comprehensive	Med	In Progress	Education	10
Olchfa Comprehensive	Med	In Progress	Education	10
Ysgol Gyfun Gwyr	Med	In Progress	Education	10
Penybryn Special School	Med/High	In Progress	Education	4
<b>Achievement &amp; Partnership Service</b>				
Curriculum Support Unit inc. Welsh Service	New	Final Issued	Education	5
School Support Unit	Low	Final Issued	Education	5
<b>Vulnerable Learner Service</b>				
Swansea Pupil Referral Units	Med	Draft Issued	Education, Safeguarding & Poverty	15
<b>Education Grants &amp; Other</b>				
Additional Support for Disadvantaged Learners (G)	n/a	Final Issued	Education, Safeguarding & Poverty	5
Regional Consortia School Improvement (G)	n/a	Final Issued	Education, Safeguarding & Poverty	15
Pupil Deprivation (G)	n/a	In Progress	Education, Safeguarding & Poverty	10
Schools Annual Report	n/a	Final Issued	Education, Safeguarding & Poverty	3
<b>Child &amp; Family Services</b>				
Discretionary Payments	Med/High	In Progress	Safeguarding	10
Emergency Duties Team	Low	Final Issued	Safeguarding	10

Use of Taxis Authorisation	Med/Low	In Progress	Safeguarding	10
<b>Adult Services</b>				
Supporting People (G)	n/a	Final Issued	Safeguarding	10
Suresprung Supported Employees Claim Process (G)	n/a	Planned	Safeguarding	5
Flexible Support Service	Med	Final Issued	Safeguarding	10
Fforestfach Day Service	Low	Final Issued	Safeguarding	10
<b>Social Services Directorate Services</b>				
Client Property & Finance	High	Planned	Safeguarding	15
Business Support Team - Adult Services	New	Final Issued	Safeguarding	10
Application Controls - Paris System	Med	Planned	Safeguarding	5
<b>Poverty &amp; Prevention</b>				
Adult Prosperity & Wellbeing Service	Low	Final Issued	Poverty	5
Young Peoples Service	Med	Final Issued	Poverty	15
Info-Nation	Med	Final Issued	Poverty	10
Community Safety	Med/Low	Final Issued	Poverty	10
Lifelong Learning Service	Med	Final Issued	Poverty	10
<b>Building Services</b>				
Heol y Gors - Plant & Transport	Med	In Progress	Economy & Infrastructure, Safeguarding	7
<b>Property Services</b>				
Estates Management & Quadrant Rents	Med	Final Issued	Economy & Infrastructure	10
<b>Waste Management &amp; Parks</b>				
Waste Management	Med	Final Issued	Economy & Infrastructure	10
Street Cleaning	Med	Final Issued	Economy & Infrastructure	10
<b>Highways &amp; Transportation</b>				
Service Support	Low	Not Required	Economy & Infrastructure	15
Transport Support	Med	Final Issued	Economy & Infrastructure	10
Concessionary Bus Fares	Med	In Progress	Economy & Infrastructure	5
Recovery of Abandoned Vehicles	Med/Low	Final Issued	Economy & Infrastructure	5
Swansea City Bus Station	Med	Final Issued	Economy & Infrastructure	8
Advance Payments Code	Med	In Progress	Economy & Infrastructure	8
CTU Fleet Maintenance	Med/High	In Progress	Economy & Infrastructure	15
CTU Fuel	Med	Final Issued	Economy & Infrastructure	10
CTU Stores	Med	In Progress	Economy & Infrastructure	8
Transport Depot	Med	Final Issued	Economy & Infrastructure	15



Live Kilometre Support (G)	n/a	Final Issued	Economy & Infrastructure	5
<b>Housing &amp; Public Health</b>				
Penlan District Housing Office	Med	Final Issued	Poverty, Safeguarding	15
Gorseinon District Housing Office	Med	In Progress	Poverty, Safeguarding	10
Furniture Store & Tenancy Scheme	Low	Final Issued	Poverty, Safeguarding	12
Tenancy Support Unit & SPG	Low	In Progress	Poverty, Safeguarding	10
Housing Partnerships	Med	Draft Issued	Poverty, Safeguarding	10
Food & Safety Division	Low	Final Issued	Poverty, Safeguarding	10
Pollution Control Division	Med/Low	Final Issued	Poverty, Safeguarding	10
<b>Cultural Services</b>				
Community Parks Development & Community Buildings	Low	In Progress	Economy & Infrastructure	15
Foreshores & Lettings: Sports Permits	Low	In Progress	Economy & Infrastructure	10
Active Swansea	Med	Not Required	Economy & Infrastructure	5
Spot Checks	Med	In Progress	Economy & Infrastructure	5
Grand Theatre	Med/High	Final Issued	Economy & Infrastructure	15
Grand Theatre & Glyn Vivian Catering	New	In Progress	Economy & Infrastructure	5
Literature Officer	Low	In Progress	Economy & Infrastructure	5
Libraries Administration	Med/Low	Final Issued	Economy & Infrastructure	10
Special Events	Med	Final Issued	Economy & Infrastructure	15
Passport to Leisure	Low	Deferred	Economy & Infrastructure	10
Tourism Marketing	Med/Low	Draft Issued	Economy & Infrastructure	10
<b>Planning &amp; City Regeneration</b>				
Sustainable Development	Low	Planned	Economy & Infrastructure, Resources & Biodiversity	8
Economic Development Administration	Med/Low	Final Issued	Economy & Infrastructure, Resources & Biodiversity	10
External Funding Team	Med/High	Planned	Economy & Infrastructure, Resources & Biodiversity	5
Planning Services Administration & Fees	Med	Final Issued	Economy & Infrastructure, Resources & Biodiversity	15
Section 106 Agreements	Med/High	In Progress	Economy & Infrastructure, Resources & Biodiversity	10
<b>Communications &amp; Marketing</b>				
Communications & Public Relations	Med	In Progress	Transformation & Council Development	10
Design Print	Med	Final Issued	Transformation & Council Development	15
<b>Financial Services &amp; Service Centre</b>				
Cashiers Office	Med/High	Planned	Section 151 Assurance	10

Write-Off Requests	n/a	Planned	Section 151 Assurance	5
Cashiers Write-off's	n/a	Final Issued	Section 151 Assurance	5
Insurance	Med	Final Issued	Section 151 Assurance	10
Taxation VAT	Med	Final Issued	Section 151 Assurance	10
Pension Fund Other Transactions	Med	In Progress	Section 151 Assurance	10
Trusts & Charities	Med	Final Issued	Section 151 Assurance	10
Budget Strategy & Management	New	In Progress	Section 151 Assurance	10
Direct Payments - Adult and Child & Family	Med	Deferred	Section 151 Assurance	15
Welcome Break	Low	In Progress	Section 151 Assurance	5
Debt Recovery	High	In Progress	Section 151 Assurance	20
Employee Vetting (DBS)	High	Final Issued	Section 151 Assurance	10
Purchase Cards	Med	Final Issued	Section 151 Assurance	15
<b>Digital &amp; Transformation</b>				
Information Management	Med	In Progress	Transformation & Council Development	10
<b>Legal, Democratic Services &amp; Business Intelligence</b>				
Coroners Service	Med	Final Issued	Monitoring Officer Assurance	12
Debt Recovery Process	High	Planned	Monitoring Officer Assurance	10
Review of Legal Files	New	Final Issued	Monitoring Officer Assurance	10
<b>Commercial Services</b>				
Cultural Services Contracts Review	New	In Progress	Section 151 Assurance	10
<b>Chief Transformation Officer Audits</b>				
Corporate Complaints	Med	In Progress	Transformation & Council Development	8
Welsh Translation Unit	Med	In Progress	Transformation & Council Development	10
CRM System Application Controls	New	In Progress	Transformation & Council Development	10
Risk Management	Med/High	In Progress	Section 151 Assurance	10
<b>Contract Audits</b>				
Legal Pre-Contract Acceptance of Tenders	Med	Planned	Monitoring Officer Assurance	20
Procurement Contract Register	Med	In Progress	Transformation & Council Development	10
Final Accounts	n/a	Planned	Section 151 Assurance	3
Appraisal of Contractors for Tenders	n/a	Planned	Section 151 Assurance	5
<b>Computer Audits</b>				
PC Controls	Med/High	Not Required	Transformation & Council Development	5

Network Controls - Corporate & Education	Med	Not Required	Transformation & Council Development	10
Internet Controls - Education Network	Med/Low	Planned	Transformation & Council Development	10
Libraries Public Access Network	Med/Low	In Progress	Transformation & Council Development	5
E-Commerce Controls - Web Development	New	Planned	Transformation & Council Development	10
Physical & Environmental Controls and VSE	Med/High	In Progress	Transformation & Council Development	10
Computer Operations	Med/High	In Progress	Transformation & Council Development	5
Change Control	Med	Planned	Transformation & Council Development	5
Change Control - Oracle	Med/High	In Progress	Transformation & Council Development	5
Use of Idea - Data Extraction	n/a	Planned	Section 151 Assurance	5
Use of Idea - Data Matching NFI 2018	n/a	Planned	Section 151 Assurance	5
<b>Projects &amp; Special Investigations</b>				
Unpresented Cheques	n/a	Planned	Section 151 Assurance	5
NFI 2018/19	n/a	Planned	Section 151 Assurance	20
Galileo Management System	n/a	Planned	Section 151 Assurance	10
Annual Plan & Annual Report	n/a	Planned	Section 151 Assurance	5
Annual Consultation Exercise	n/a	In Progress	Section 151 Assurance	10
Health & Safety Group	n/a	Planned	Section 151 Assurance	3
Recommendation Tracker Exercise	n/a	In Progress	Section 151 Assurance	5
Follow-ups	n/a	Planned	Section 151 Assurance	20
Purchase Cards - Transaction Sample Reviews	n/a	Planned	Section 151 Assurance	10
Petty Cash Investigations	n/a	Planned	Section 151 Assurance	3
<b>Miscellaneous Audits</b>				
sQuid System Review	New	In Progress	Section 151 Assurance	10
Brexit	New	Final Issued	Section 151 Assurance	5
City Deal Review Outcomes - Follow-up	New	Planned	Section 151 Assurance	5
Sustainable Swansea	New	Planned	Transformation & Council Development	5

**Corporate Priorities**

**Safeguarding** – Safeguarding People from Harm

**Education** – Improving Education and Skills

**Economy & Infrastructure** – Transforming our Economy and Infrastructure

**Poverty** – Tackling Poverty

**Resources & Biodiversity** – Maintaining and Enhancing Swansea’s Natural Resources and Biodiversity.

**Transformation & Council Development** – Transformation and Future Council Development.

# Agenda Item 4



## Report of the Director of Place

Special Audit Committee – 29 January 2020

### Foreshore and Lettings Audit Report 18/19

<b>Purpose:</b>	To provide an update on the foreshore and lettings audit report for the above period
<b>Report Author:</b>	Jamie Rewbridge (Strategic Manager, Cultural Services) & Steve Kern (Marina Manager)
<b>Finance Officer:</b>	Paul Roach
<b>Legal Officer:</b>	Debbie Smith
<b>Access to Services Officer:</b>	Rhian Millar
<b>For Information</b>	

#### Internal Audit on Foreshore and Lettings Function – Update January 2020

##### 1. Introduction

- 1.1 As a result of an internal audit on the Foreshore and Lettings function carried out in 2019, an assurance level of moderate was given.
- 1.2 An action plan was developed to address the issues identified and appropriate implementation steps put in place.
- 1.3 Since the date of the audit an element of the service has transferred from Cultural Services to Highways and Transportation, these services relate to Boat Parking, which is covered in section 2.3 of the Action Plan.
- 1.4 This report highlights all the Medium Risk items only, with no High risk actions to note. All items can be found within the relevant appendix A, which sets out the report in full and associated actions, Low Risk (LR) items and points of good practice (GP)
- 1.5 This action plan identified the following MR actions (Medium Risk)

- **Foreshore Lettings**

(2.13) Checks should be made to ensure previous year's fees have been paid before licences are renewed.

**Progress to Date/Agreed and updated actions** – With immediate effect, outstanding debtors have now been referred to A/R team with supporting evidence of contract. The operators with outstanding debts will not be used in the future and have not been engaged for 19/20.

Checking and monitoring process in place to ensure fees are paid in advance before licences issued

- **Langland Bay Beach Huts**

(2.25) Receipt Books and C&D Books should be held securely and retained for audit purposes.

**Progress to date/Agree and updated actions-**

Long term sickness and retirement of previous administrator meant that some books could not be located. As part of new procedures and newly appointed staff, specific books for specific service are now in place.

Beach hut applications are moving online from January 2020 therefore receipt books would no longer be in use once on-line booking system in place as this will automatically generate a receipt.

**Boat Parking**

- (2.32) Official invoices should be raised to collect all income due for spaces where ownership is known

**Progress to date/Agree and updated actions-** Boat Parking at the site is now managed under the supervision of the Marina management team who will implement the procedures adopted at the Marina. All boat owners at Knab & SBA have been written to and payments have been requested. Invoices will be raised to collect unpaid fees with recovery action to follow.

Follow up telephone calls have been made to known users who have still not returned signed contracts or paid, this has resulted in further payments being received relating to 19/20 storage.

- (2.35) Advice should be obtained from Legal Services on how to remove the boats that are illegally parked.

**Progress to date/Agree and updated actions-** Legal Advice was sought over a period of time (2016/17/18) and concluded that the most appropriate systems should be those adopted by officers at the Marina, using TORTs and weekly muster log of craft onsite. Support was sought in 2018 however owing to operational workload pressures little progress was made. From 1<sup>st</sup> April 2019, all services

relating to boat parking and income generation at the Knab site have been the responsibility of Marina, with an integrated system linked to the Marina's office system. A new (Highways & Transportation) cost centre has been created and all income is recorded here. Services and staff will continue to transfer through 2019/20, with the anticipation that a full transfer will be implemented by 2020/21.

A meeting is due to take place early January between Marina, Audit & Legal to agree the best way forward in relation to long term debtors. Discussions will centre around historical supporting documentation being used in legal action against long term debtors. This will determine what action we can legally take on historical debts.

### **Caravan Park**

- (2.52) Regular checks should be made to ensure that site-holders have paid their invoice or are making payments by instalments.

### **Progress to date/Agree and updated actions**

A further system to be developed to keep a log of all invoices generated, invoice numbers, narrative, debtor and amount. These to be checked monthly and a status column updated for paid/unpaid/part paid etc. Monitoring and check list system has been devised by the Lettings Administrator, under the supervision of the section manager.

## **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 other than those set out in the body of the report.

## **4. Legal Implications**

- 4.1 There are no legal implications other than those set out in the body of the report.

**Background Papers:** None.

### **Appendices:**

Appendix A - Foreshore and Lettings – Management Action Plan – Follow Up 2019/20.

**CITY & COUNTY OF SWANSEA  
MANAGEMENT ACTION PLAN –FOLLOW-UP  
FORESHORE AND LETTINGS – 2019/20**

REPORT REF	RECOMMENDATION	CLASS (HR;MR;LR;GP)	AGREE ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	CURRENT POSITION
2.1	<b><u>Foreshore Lettings</u></b>					
2.1.2	a) Invoices should be raised at the start of the season.	LR	Acknowledged and invoices for 19/20 were created as soon as ledger opened.	Cultural Services	Start of each letting period commenced 1 <sup>st</sup> April 2019	Invoices will be raised and issued before 1.4.20
2.1.3	b) Checks should be made to ensure previous year's fees have been paid before licences are renewed.	MR	Acknowledged and understood. Outstanding debtors have now been referred to A/R team with supporting evidence of contract. Will not be used in the future and has not been engaged for 19/20.	Cultural Services	Immediate and Ongoing	Checking and monitoring process in place to ensure fees are paid in advance before licences issued.
2.2	<b><u>Langland Bay Beach Huts</u></b>					
2.2.2	The Strategic Manager for Leisure, Partnerships, Health & Wellbeing should approve the results of the	GP	Draw manager will send email of results for approval to	Cultural Services	March 2020	This action now written into draw process in readiness for 2020.

REPORT REF	RECOMMENDATION	CLASS (HR;MR;LR;GP)	AGREE ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	CURRENT POSITION
2.2.3	<p>draw to confirm it has been conducted correctly.</p> <p>The section should consider marketing the huts on a wider basis to ensure that more residents are aware that the huts are available for seasonal hire.</p> <p><i>(If there is sufficient demand, an uplift in fees could be considered, increasing income to the Service.)</i></p>	GP	<p>appropriate senior line manager. Not necessary for this to be the Strategic Manager.</p> <p>Proportionate marketing at no cost ensures that supply meets demand. No budget available to consider external marketing, however social media can be used to generate wide awareness. Fees are uplifted in line with Council guidance circa 5% and this has been consistent annually for a period of years.</p>	Cultural Services	January 2020	Foresore Co-ordinator liaising with Council's website officer in regard to the creation of an on-line booking system together with updated web pages with view to going live in 2020.



REPORT REF	RECOMMENDATION	CLASS (HR;MR;LR;GP)	AGREE ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	CURRENT POSITION
2.2.4	Evidence should be retained to show cheques have been returned to unsuccessful applicants.	GP	Log has now been kept of cheque destroyed or returned by Destination Manager.	Cultural Services	Implemented	The on-line booking and payment system once implemented will hold all evidence required. Cheques will no longer be in use as payments will be made online and via card system.
2.2.5	Receipt Books and C&D Books should be held securely and retained for audit purposes.	MR	a) LTS and retirement of previous administrator meant that some books could not be located.  b) Specific books for specific service are now in place.	Cultural Services	Implemented	Receipt books would no longer be in use once on-line booking system in place as this will automatically generate a receipt.
2.3	<b><u>Boat Parking</u></b>					2.3.2
2.3.2	Official invoices should be raised to collect all income due for spaces where ownership is known.	MR	Boat Parking at the site is now managed under the supervision of the Marina management team who will implement the procedures adopted at the Marina. All boat	Highways and Transportation	June 2019 – September 2019	Follow up telephone calls have been made to known users who have still not returned signed contracts or paid, this has resulted in further payments being received relating to 19/20 storage.  Currently the IT connection at Knab Rock is very poor and limits what recovery action can actioned on

REPORT REF	RECOMMENDATION	CLASS (HR;MR;LR;GP)	AGREE ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	CURRENT POSITION
2.3.5	<p>Advice should be obtained from Legal Services on how to remove the boats that are illegally parked.</p> <p><b>(Previous Audit recommendation – has been accepted but not implemented since 2006/7)</b></p>	MR	<p>owners at Knab &amp; SBA have been written to and payments have been requested. Invoices will be raised to collect unpaid fees during September with recovery action to follow.</p> <p>a) Advice was sought over a period of time (2016/17/18) and concluded that the most appropriate systems should be those adopted by officers at the Marina, using TORTs and a weekly muster log of craft onsite. Support was sought in 2018 however owing to workload pressures little progress was made.</p>	Highways and Transportation	September 2019	<p>site. ICT are in the process of upgrading the connection. This should be completed early January.</p> <p>2.3.5 A meeting is due to take place early January between Marina, Audit &amp; Legal to agree the best way forward in relation to long term debtors. Discussions will centre around historical supporting documentation being used in legal action against long term debtors. This will determine what action we can legally take on historical debts.</p>

REPORT REF	RECOMMENDATION	CLASS (HR;MR;LR;GP)	AGREE ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	CURRENT POSITION
			<p>Options are currently being considered on what is the most efficient way to dispose of low value craft. Alternative sites are being considered to hold craft until disposed/sold.</p> <p>b) From 1<sup>st</sup> April 2019, all services relating to boat parking and income generation at the Knab site have been the responsibility of Marina, with an integrated system linked to the Marina's office system. A new (Highways &amp;Transportation) cost centre has been created and all income is recorded here. Services and staff</p>	Cultural Services	Fully completed and services transferred by April 2020	

REPORT REF	RECOMMENDATION	CLASS (HR;MR;LR;GP)	AGREE ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	CURRENT POSITION
			will continue to transfer through 2019/20, with the anticipation that a full transfer will be effected by 2020/21.			
2.5	<b><u>Caravan Parks</u></b>					
2.5.2	a) Regular checks should be made to ensure that site-holders have paid their invoice or are making payments by instalments.	MR	A further system to be developed to keep a log of all invoices generated, invoice numbers, narrative, debtor and amount. These to be checked monthly and a status column updated for paid/unpaid/part paid etc.	Cultural Services	01 <sup>st</sup> September 2019	Monitoring and check list system has been devised by the Lettings Administrator.
	b) Licences should not be issued to site-holders who are in arrears.	LR	Accepted. No payments will evoke a separate correspondence to demand payment or commence	Cultural Services	Immediate	Foreshore Co-ordinator monitoring debtors and liaising with finance in regard to those licenceholders with monthly payment plans.

REPORT REF	RECOMMENDATION	CLASS (HR;MR;LR;GP)	AGREE ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	CURRENT POSITION
2.5.3	Licences should be issued on an annual basis.	LR	<p>eviction proceedings.</p> <p>a) Agreed, although there have been previous issues in relation to the return of signed licences due to the capacity and resources to check, chase and follow up Licences returned.</p> <p>b) Officers to investigate the option to send licences with an overarch that assumes responsibility on the caravan owner to tell the Council if they do not accept the terms outlined in the licence and the virtue of their caravan being on-site is therefore acceptance of the said terms.</p>	Cultural Services	1 <sup>st</sup> September 2019	<p>Foreshore Co-ordinator and Estates Officer are conducting a site monitoring visit during February 2020 with a view to updating licence agreements in readiness for renewals in April 2020.</p> <p>Following site visit the review of the licence will include terms, which will also be included on the online system, following guidance from Legal.</p>

REPORT REF	RECOMMENDATION	CLASS (HR;MR;LR;GP)	AGREE ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	CURRENT POSITION
			Licence issue will also include a cover note of owners' responsibilities - operationally and financially.			

# Agenda Item 5



## Report of the Chief Finance Officer

Special Audit Committee – 29 January 2020

### Cleansing Service - Findings Update Internal Audit Report 2019/20

<b>Purpose:</b>	To provide an update of the audit of the Cleansing Service in the Waste, Parks & Cleansing Department.
<b>Report Author:</b>	Jeremy Davies (Group Leader Parks & Cleansing)
<b>Finance Officer:</b>	Ben Smith
<b>Legal Officer:</b>	Tracey Meredith
<b>Access to Services Officer:</b>	Rhian Millar

#### Internal Audit on Cleansing Service – Update December 2019

##### 1. Introduction

- 1.1 As a result of an internal audit carried out in April 2019 on the Cleansing Service, an assurance level of moderate was given.
- 1.2 An action plan was developed to address the recommendations identified and appropriate implementation steps put in place.
- 1.3 The action plan identified the following High Risk (HR) and & Medium risk (MR) actions:

- (2.1.1) An Authorised Signatory list should be compiled for the Service. (MR)

**Progress to Date:** Action complete, the list has been compiled and is maintained by the Finance and Administration Manager.

- (2.1.9) All staff in the Service should adhere to the corporate flexitime policy unless there is a clear service need to adopt an alternative model. Any

variations to the corporate policy must be clearly documented and approved by the Head of Service and Employee Services. (HR)

**Progress to Date:** Action complete. A meeting was held with affected parties. The policy is now being adhered to including ongoing monitoring.

- (2.3.2) CPRs should be adhered to where single or cumulative expenditure with a supplier exceeds £5k. (MR)

**Progress to Date:** Action complete. The same action was raised in the Parks audit of 2018 and significant change had already been implemented to prevent recurrence.

- (2.8.1) All employees should be reminded of the travel and subsistence policy and all claims should be completed in sufficient detail to allow the journey mileage to be verified as per the policy. Any home to base mileage should also be deducted from any claims. (MR)

**Progress to Date:** Action Complete. Resolved with training by Senior Cleansing Manager and includes ongoing monitoring.

- (2.8.2) The officers highlighted should be asked to provide evidence of vehicle insurance cover. (MR)

**Progress to Date:** Action complete. Cover checked and documented at Home Farm. These checks occur annually.

## **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 other than those set out in the body of the report.

## **4. Legal Implications**

- 4.1 There are no legal implications other than those set out in the body of the report.

**Background Papers:** None.

### **Appendices:**

Appendix A - Final Internal Audit Report Waste, Cleansing & parks Cleansing Service 2019/20.



**CITY & COUNTY OF SWANSEA  
FINAL INTERNAL AUDIT REPORT  
WASTE, CLEANSING & PARKS  
CLEANSING SERVICE 2019/20**

## **1. Introduction**

- 1.1 An audit has been completed of the Cleansing Service which is part of the Parks Operations Division within the Waste Management and Parks Service.
- 1.2 The audit reviewed the procedures in place and included detailed testing on the following areas:
- Employees
  - Vehicles
  - Expenditure
  - Stock
  - Income
  - Inventory
  - Purchase Card
  - Travel Claims
- 1.3 The objectives of the audit were to ensure that material business risks have been identified and that the controls in place are adequate for the purpose of minimising business risk and are operating in practice.
- 1.4 This is the first audit of the Cleansing Section since it has been placed under the responsibility of the Parks Operations Division.
- 1.5 Detailed findings are recorded below and the recommendations arising are included in the attached Management Action Plan.

## **2. Work Done / Findings**

### **2.1 Employees**

- 2.1.1 An up to date Authorised Signatory list is not in place for the service and it was therefore not possible to confirm that all timesheets had been approved by an authorised officer.
- 2.1.2 A sample of Universal Timesheets (UTS) for three months (June 2018, October 2018 & February 2019) was selected for testing to check the reasonableness of hours worked and rates of overtime paid. This test proved satisfactory.
- 2.1.3 It was noted during the sample testing that two of the overtime payments were to Refuse workers who had worked at the weekend for the Cleansing Section. The extra hours were not on the UTS for Cleansing but had been recorded on the Refuse UTS.

- 2.1.4 It was also noted that Stand-By payments are being made to officers in the section who are on stand-by for the Highways Section. The payments made were approximately £7.5k per annum.
- 2.1.5 The audit revealed that a large number of staff are employed through an agency and hours worked are recorded on daily timesheets and weekend working timesheets.
- 2.1.6 It was found that the information from the timesheets is collated and sent to the Purchasing Officer at Home Farm who completes an order on Oracle detailing hours worked. A sample check of three months was carried out to confirm that information had been correctly transferred to the Purchasing Officer and an order completed. The number of hours invoiced by the agency are verified to the order by officers in Accounts Payable in Finance before the invoice is paid. All our testing carried out proved satisfactory.
- 2.1.7 A report of all employees was produced from Oracle and was checked by the Finance & Administration Manager to ensure that all employees were recognised and currently employed. This check proved satisfactory.
- 2.1.8 Some employees were found to be working using a manual flexitime system. When reviewed, the parameters of the scheme did not correspond to those of the Council's Flexitime Policy with the following differences being evident:
- Start times prior to 7.30am - With some as early as 5.40am.
  - Credit balances carried forward exceeding 12.00 hrs, with one as high as 59 hrs.
  - More than one flexi leave day in a period.
- 2.1.9 We were advised that these amendments to the corporate Flexitime Policy had been approved by the previous Group Leader (Parks & Cleansing) in order to meet operational needs. However, evidence of this approval could not be provided.

## **2.2. Vehicles**

- 2.2.1 A check was carried out on a sample of five vehicles to ensure that vehicle logs were being completed. All testing carried out proved satisfactory.
- 2.2.2 It was confirmed that a number of staff take Council vehicles home overnight. However it was found that the authorisation forms for a number of officers were out of date and had not been reviewed.
- 2.2.3 Testing was carried out to confirm that reports are run off the Triscan fuel system by the Finance and Admin. Manager and sent to Area Managers for review. This test proved satisfactory.

## **2.3 Expenditure**

- 2.3.1 A sample of 20 purchases was selected from the budget cost centres to confirm compliance with the Council's Accounting Instructions, Contract Procedure Rules and Spending Restrictions. All testing carried out proved satisfactory.

- 2.3.2 A report was obtained from Oracle listing all suppliers with whom the Service had spent more than £5k in 2018/19. A check was then carried out to confirm that corporate contracts were in place or that quotations had been obtained. Two suppliers were found where there was no contracts in place and quotations had not been obtained.

Supplier	Total Expenditure	Goods Purchased
Grangewood Plastic	£15k	Supply of black bags
Flying Penguin	£12k	Sweeper brushes

## 2.4 **Stock**

- 2.4.1 The only items purchased that are classed as “Stock” are black refuse sacks and these are stored at the Pipehouse Wharf depot. It was found that there were no formal records being maintained of issues or of the number of sacks currently in stock.

## 2.5 **Income**

- 2.5.1 A sample of eight invoices was selected and checked back to source documentation to confirm the invoices were raised for the correct amount. Our testing revealed:

- a) The work carried out on behalf of Mumbles Community Council and Pontarddulais Community Councils was not covered by a contract or service level agreement.
- b) There is no current agreement with Swansea BID and we were advised that they are refusing to pay the annual £4k contribution for 2019/20.

- 2.5.2 It was noted in regard to the charges being levied on both the Community Councils and BID that it was unclear on what basis these charges were being calculated.

- 2.5.3 Evidence was also not provided to show that the fees charged for graffiti removal and ad hoc work had been approved by the Head of Service.

## 2.6 **Inventory**

- 2.6.1 Checks carried out revealed that the inventory of equipment was maintained satisfactorily on a computer database (GOLD system).

- 2.6.2 However, it was found that the annual inventory check for March 2018 and March 2019 had not been carried out and that Inventory Certificates had not been completed.

- 2.6.3 A check of a sample of disposals in May 2018 to ensure they had been correctly authorised and disposed of proved satisfactory.

- 2.6.4 An eligible purchase encountered during our expenditure testing was successfully traced to the Inventory record.

## 2.7 Purchase Card

2.7.1 There are two supervisors based in the Service who have Purchase Cards. It was confirmed that the cards were kept with the officers at all times and that the PINs were only known to the cardholders.

2.7.2 A review of one month's transactions for each card holder was carried out to confirm compliance with the Council's usage policy and all testing carried out proved satisfactory.

## 2.8 Travel Claims

2.8.1 A sample of four Officers' claims was selected for testing from the period January-February 2019. For three of the officers, it was found that it was not possible to confirm whether the mileage claimed was accurate. Details are shown in the table below.

Employee No	Month of Claim	Findings
003151	February 2019	Only general areas visited recorded. Also unable to confirm if Home to Work to Home mileage deducted as required.
003103	February 2019	Only general areas visited recorded. Also unable to confirm if Home to Work to Home mileage deducted as required.
003148	January 2019	Only general areas visited recorded. Also unable to confirm if Home to Work to Home mileage deducted as required.

2.8.2 A check was also carried out to confirm that driving licence and vehicle documents had been checked on an annual basis. It was found that evidence of appropriate vehicle insurance had not been checked for two of the employees in our sample – No's. 003151 and 003148.

## 3. Conclusion

3.1 The Internal Audit Section operates a system of Assurance levels which gives a formal opinion of the achievement of the service's/system's control objectives. The Assurance levels vary over four categories: 'High', 'Substantial', 'Moderate' and 'Limited'.

3.2 Recommendations arising from this review are detailed in the attached Management Action Plan. Each recommendation has been prioritised according to perceived risk – High, Medium, Low and Good Practice. The overall Assurance level is based on the recommendations made in the report.

3.3 The description of each type of recommendation and also the basis for each of the Assurance levels is noted in Appendix 1.

- 3.4 Based on the audit testing undertaken, it was found that a number of procedures were not in place and being adhered to, resulting in one High Risk, four Medium Risk and seven Low Risk recommendations.
- 3.5 As a result, an Assurance Level of '**Moderate**' has been given. This indicates that the ineffective controls represent a significant risk to the achievement of system objectives.
- 3.6 We will contact you in due course to confirm that you have implemented the agreed recommendations.
- 3.7 This audit was conducted in conformance with the Public Sector Internal Audit Standards

**Appendix 1****Classification of Audit Recommendations**

<b>Recommendation</b>	<b>Description</b>
High Risk	Action by the client that we consider <b>essential</b> to ensure that the service / system is not exposed to <b>major risks</b> .
Medium Risk	Action by the client that we consider <b>necessary</b> to ensure that the service / system is not exposed to <b>significant risks</b> .
Low Risk	Action by the client that we consider <b>advisable</b> to ensure that the service / system is not exposed to <b>minor risks</b> .
Good Practice	Action by the client where we consider <b>no risks</b> exist but would result in better quality, value for money etc.

**Audit Assurance Levels**

<b>Assurance Level</b>	<b>Basis</b>	<b>Description</b>
High Assurance	Recommendations for ineffective controls affecting the material areas of the service are not High or Medium Risk. Any recommendations are mainly Good Practice with few Low Risk recommendations.	There is a sound system of internal control designed to achieve the system objectives and the controls are being consistently applied.
Substantial Assurance	Recommendations for ineffective controls affecting the material areas of the service are not High Risk. Occasional Medium Risk recommendations allowed provided all others are Low Risk or Good Practice.	There is a sound system of internal control but there is some scope for improvement as the ineffective controls may put the system objectives at risk.
Moderate Assurance	Recommendations for ineffective controls affecting the material areas of the service are at least Medium Risk.	The ineffective controls represent a significant risk to the achievement of system objectives.
Limited Assurance	Recommendations for ineffective controls affecting the material areas of the service are High Risk.	The ineffective controls represent unacceptable risk to the achievement of the system objectives.

**WASTE, CLEANSING & PARKS  
CLEANSING SERVICE  
MANAGEMENT ACTION PLAN  
2019/20**

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE
<b>2.1 Employees</b>					
2.1.1	An Authorised Signatory list should be compiled for the Service.	MR	Compile the list.	Liz Bennett	30 <sup>th</sup> August 2019
2.1.3	Where employees work on behalf of the service the hours worked should be recorded and approved on the Cleansing Universal Timesheet.	LR	Make appropriate changes.	Liz Bennett	Complete
2.1.4	Where officers are engaged by Highways, all costs should be allocated to the to the relevant Highways cost centre.	LR	Liase with Highways and implement.	Liz Bennett	30 <sup>th</sup> August 2019
2.1.9	All staff in the Service should adhere to the corporate flexitime policy unless there is a clear service need to adopt an alternative model. Any variations to the corporate policy must be clearly documented and approved by the Head of Service and Employee Services.	HR	Meeting held with affected parties. Policy is now being adhered to including ongoing monitoring.	Stuart Willingale	Complete

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE
<b>2.2 Vehicles</b>					
2.2.2	A review should be undertaken of all staff who currently take vehicles home overnight and all authorisation forms should be up to date.	LR	Will apply across Parks and Cleansing.	Jeremy Davies	29 <sup>th</sup> November 2019
<b>2.3 Expenditure</b>					
2.3.2	CPRs should be adhered to where single or cumulative expenditure with a supplier exceeds £5k.	MR	This was highlighted in the Parks audit 2018 and significant change has already been implemented to prevent recurrence.	Jeremy Davies	Complete
<b>2.4 Stock</b>					
2.4.1	Stock records should be maintained for the control of black refuse sacks.	LR	Stock to be placed in a secure area and 6-monthly stock take to occur.	Stuart Willingale	30 <sup>th</sup> September 2019
<b>2.5 Income</b>					
2.5.1 a/b)	SLAs should be agreed with the two Community Councils highlighted and Swansea BID.	LR	Anticipated to be very challenging re the CC's and ultimately potentially unachievable. Bid are charged ADHOC now. If not possible to agree SLAs HOS service should be consulted to approve way forward. With BID if ongoing £4k charge not to be levied again HOS should be consulted for approval.	Stuart Willingale	31 <sup>st</sup> October 2019
2.5.3	The charges levied by the Service should be formally approved by the Head of Service.	LR	Review charges to ensure cost recovery and submit to HOS	Jeremy Davies	31 <sup>st</sup> October 2019



REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE
<b>2.6 Inventory</b>					
2.6.1	The Inventory should be checked annually and an Inventory Certificate completed.	LR	Agreed	Liz Bennett	30 <sup>th</sup> September 2019
<b>2.8 Travel Claims</b>					
2.8.1	All employees should be reminded of the travel and subsistence policy and all claims should be completed in sufficient detail to allow the journey mileage to be verified as per the policy. Any home to base mileage should also be deducted from any claims.	MR	Resolved with training by Stuart Willingale in July 2019 at the Cleansing Management monthly Team meeting.	Stuart Willingale	Complete
2.8.2	The officers highlighted should be asked to provide evidence of vehicle insurance cover.	MR	003148 under suspension complete upon return to work.  003151 was already checked and documented at Home Farm.	Stuart Willingale	Return to work date

# Agenda Item 7



## Report of the Chief Auditor

Special Audit Committee – 29 January 2020

### Internal Audit Recommendation Follow-Up Report Q2 2019/20

<b>Purpose:</b>	This report provides committee with the status of the recommendations made in those audits where the follow-up's has been undertaken in Q2 2019/20, to allow the Audit Committee to monitor the implementation of recommendations made by Internal Audit.
<b>Policy Framework:</b>	None
<b>Consultation:</b>	Legal, Finance and Access to Services
<b>Recommendation(s):</b>	For the report to be noted.
<b>Report Author:</b>	Simon Cockings
<b>Finance Officer:</b>	Simon Cockings
<b>Legal Officer:</b>	Tracey Meredith
<b>Access to Services Officer:</b>	Rhian Millar

#### 1. Introduction

- 1.1 The Audit Committee's Performance Review for 2017/18 was completed in June 2018. One of the recommendations arising from the review was in relation to the tracking of the recommendations made by Internal and External Audit.
- 1.2 This report provides an overview of how recommendations made by Internal and External Audit are tracked and followed-up.

## **2. Standard Follow-up Procedures**

- 2.1 An amended internal audit follow-up procedure was introduced in 2014 as a result of concerns being raised over the failure of management to implement audit recommendations.
- 2.2 The current procedures identify two methods of following-up on the implementation of recommendations made as a result of internal audit reviews for the fundamental audits and non-fundamental audits.

## **3. Fundamental Audits**

- 3.1 These audits are undertaken on a yearly or two-yearly cycle. All fundamental audits are subject to a Recommendation Tracker Exercise each year, which is normally completed as at the end of September.
- 3.2 The exercise involves discussion with the client department to go through the agreed Action Plan together with a limited amount of testing to confirm whether the recommendations have been implemented.
- 3.3 The results of the Recommendation Tracker Exercise is reported to Audit Committee in a separate Recommendation Tracker report.

## **4. Non-fundamental Audits**

- 4.1 All other audits that have been given a 'limited' or 'moderate' level of assurance are reported to Audit Committee as part of the Quarterly Monitoring Reports. All such audits are subject to a detailed follow-up visit within 6 months of the issue of the final report.
- 4.2 The follow-up visit concentrates on 'high risk' and 'medium risk' recommendations, and will include discussion with the client department and limited testing to confirm implementation.
- 4.3 The results of the follow-up visit are reported to Audit Committee as part of the Quarterly Monitoring Reports.
- 4.4 Where an audit has been given a 'high' or 'substantial' level of assurance, client departments are asked to confirm the implementation of the recommendations via e-mail.
- 4.5 The results of all follow-up's undertaken are logged and recorded on the Audit Management System (Galileo) to ensure completion is monitored appropriately.

## **5. Chief Auditors Group PI's**

- 5.1 Following discussions at the Welsh Chief Auditors Group Meeting in October 2018, it was decided that a new Performance Indicator (PI) should be introduced to record the number of recommendations that

have been implemented as a percentage of those recommendations made. Note that this has not been introduced for 2018/19. It is envisaged that the new process that we have introduced from April 2019 will allow these details to be recorded.

## **6. External Audit Recommendation Tracking**

- 6.1 Whilst it is not practicable to track every external audit recommendation without additional resources and a suitable ICT solution, Scrutiny Programme Committee will receive WAO audit reports and action plans to address recommendations and proposals and will review progress against recommendations within 12 months of the receipt of the report and action plan as their work plan allows. Audit Committee will also receive reports and action plans for information and it may decide that it wants to prioritise and track specific proposals / recommendations in addition to the oversight undertaken by Scrutiny. This does not include those WAO reports that would be intended specifically for Audit Committee.

## **7. Status of Implementation Update to Committee**

- 7.1 The purpose of this report is to allow committee to monitor the implementation status for those audits that have been subject to a follow-up review in the quarter. This will include all follow-ups completed, except for the fundamental audits as the outcome of these follow-up reviews are reported to committee separately.

## **8. Equality and Engagement Implications**

- 8.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 8.2 There are no equality and engagement implications associated with this report.

## **9. Financial Implications**

- 9.1 There are no financial implications associated with this report.

## **10. Legal Implications**

10.1 There are no legal implications associated with this report

**Background Papers:** None

**Appendix 1** – Summary - Recommendations accepted and implemented.

**Appendix 2** – Details of recommendations not implemented.

*(Note Appendix 2 has been omitted - not applicable for Q2 as all recommendations had been implemented)*

## Recommendation Tracking Report Q2 2019/20

Audit Title	Date Final Issued	Date Follow up Completed	Assurance Rating	Recommendations								Total Recs Acc'd	Total Recs Imp'd	Total Rec Not Imp'd*	Comments
				HR		MR		LR		GP					
				A	I	A	I	A	I	A	I				
Flexible Support Service	01/05/19	27/08/19	High Assurance	0	0	0	0	3	3	0	0	3	3	0	
Income Tax- Self Employed & Miscellaneous	07/03/19	08/07/19	High Assurance	0	0	0	0	4	4	1	1	5	5	0	
West Cross DHO	09/05/19	09/08/19	Substantial Assurance	0	0	0	0	12	12	1	1	13	13	0	
School Kitchens	21/02/19	03/09/19	Substantial Assurance	0	0	2	2	11	11	3	3	16	16	0	
Burials and Cremations - Swansea Crematorium	12/04/19	09/09/19	Substantial Assurance	0	0	1	1	7	7	2	2	10	10	0	
Info-Nation	12/04/19	09/09/19	Substantial Assurance	0	0	1	1	9	9	3	3	13	13	0	
E-Commerce Controls	06/02/19	09/09/19	Substantial Assurance	0	0	1	1	5	5	2	2	8	8	0	
Special Events	14/05/19	09.09.2019	High Assurance	0	0	0	0	3	3	2	2	5	5	0	
Fforestfach day Service	17/04/2019	12/09/2019	Substantial Assurance	0	0	2	2	8	8	0	0	10	10	0	
Terrace Road Primary	31/03/19	12/09/19	Substantial Assurance	0	0	1	1	3	3	2	2	6	6	0	
Freedom of Information	29/01/19	12/09/19	Substantial Assurance	0	0	1	1	0	0	0	0	1	1	0	
Landscaping	08/03/19	16/09/19	High Assurance	0	0	0	0	3	3	1	1	4	4	0	
Transport Support	31/05/19	19/09/19	Substantial Assurance	0	0	1	1	1	1	0	0	2	2	0	
Land Chages	07/03/19	19/09/19	High Assurance	0	0	0	0	5	5	4	4	9	9	0	
Moriston Primary	11/06/19	19/09/19	Substantial Assurance	0	0	0	0	10	10	4	4	14	14	0	
Wauarlwydd Primary School	24/06/19	25/09/19	Substantial Assurance	0	0	1	1	7	7	2	2	10	10	0	
Recovery of Abandoned Vehicles	25/04/19	25/09/19	High Assurance	0	0	0	0	2	2	3	3	5	5	0	
Penlan DHO	12/06/2019	25/09/2019	Substantial Assurance	0	0	0	0	10	10	1	1	11	11	0	
Officers Expenses	18/08/2017	25/09/2019	Substantial Assurance	0	0	0	0	7	7	5	5	12	12	0	
											157	157	0	100.0%	

## Recommendation Tracking Report Q2 2019/20

*\*Further details on the recommendations that have not been implemented is reported in Appendix 2.*

*(Note for Q2 100% of the recommendations have been implemented, hence Appendix 2 has been omitted from the Q2 Report).*

# Agenda Item 8



## Report of the Head of Democratic Services

Special Audit Committee – 29 January 2020

### Audit Committee Action Tracker Report

<b>Purpose:</b>	This report details the actions recorded by the Audit Committee and response to the actions.
<b>Report Author:</b>	Jeremy Parkhouse
<b>Finance Officer:</b>	N/A
<b>Legal Officer:</b>	N/A
<b>Access to Services Officer:</b>	N/A
<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 As agreed in 2016/17 an Action Tracker process was put in place to ensure transparency over the outcomes of actions agreed by Committee.
- 1.3 The Action Tracker records the actions agreed by the Audit Committee and provides an outcome for each action.
- 1.4 The Action Tracker for the 2017/18, 2018/19 and 2019/20 Municipal years are attached in Appendix 1, 2 and 3.
- 1.5 The Action Tracker is regularly updated and any completed actions will be marked 'Complete' and coloured in grey.
- 1.6 The Action Tracker is reported to each Audit Committee meeting for information.



## **2. Equality and Engagement Implications**

2.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

2.2 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 Action Tracker 2019/20 (Closed actions removed)

**Appendix 2** – Audit Committee Action Tracker 2018/19 (Closed actions removed)

**Appendix 3** – Audit Committee Action Tracker 2017/18 (Closed actions removed)

<b>AUDIT COMMITTEE ACTION TRACKER 2019/20</b>				
<b>Date of Meeting</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Nominated Officer(s)</b>	<b>Status</b>
10/12/19	54	<b>Fundamental Audits 2018/19 - Recommendation Tracker</b> 1) Lists of disputes of over 60 days old be forwarded to Corporate Management Team; 2) The Service Centre Manager provides details of written off debt from the last 3 years to the Committee.	Service Centre Manager / Cash Management & Accounts Receivable Manager	<b>Completed</b> Response provided by Michelle Davies circulated on 22/01/2020.
	58	<b>Revenue and Capital Budget Monitoring - 2nd Quarter 2019/20</b> 1) Transfer and review of the Welsh Translation Unit, including cost and charges - Figures regarding the Welsh Translation Service be circulated to the Committee.	Section 151 Officer	<b>Completed</b> Response provided by Julie Nicholas-Humphreys circulated on 22/01/2020.
	60	<b>Appointment of Additional Lay Member to Audit Committee</b> 1) the appointment be deferred subject to the proposed legislative changes being finalised.	Simon Cockings	Deferred subject to the proposed legislative changes being finalised.
08/10/19	44	<b>Annual Report of School Audits 2018/19 &amp; Director of Education Response</b> Kelly Small, the Head of Funding and Information Unit clarifies if evidence had been received that all Governing Bodies had been presented with and considered their audit reports during 2017/18 and 2018/19.	Head of Funding and Information Unit	Ongoing Email to KS 17/10/19 2018/19 – confirmation received.
		Chris Williams, Head of Commercial Services be requested to provide an update regarding providing a catalogue for schools.	Head of Commercial Services	<b>Completed</b> There is no 'catalogue' as such. Education are looking at Schools' access to other corporate contracts (Schools already use the utilities contracts for example).
		Nick Williams, Director of Education obtains a full list of contracts from Corporate Building and circulates to all Clerks to Governing Bodies.	Director of Education	Ongoing

	49	<b>Wales Audit Office - Feedback from Audit Committee Effectiveness Questionnaire</b> An update report is to be provided at the next meeting in relation to the suggested changes to the committee.	Chair of Audit Committee & Democratic Services	<b>Complete</b> Report provided by WAO.
<b>16/09/19</b>	30	<b>Young People's Service Moderate Rating Follow Up Update</b> Issues highlighted, particularly DBS checks, to be addressed in the follow up audit in November.	Chief Auditor	Ongoing Follow up scheduled for w/c 18/11/19. The results will be reported to Committee in the Q3 Monitoring Report.
	30 32	Written reports to be provided to Committee for all moderate report updates in future.	Democratic Services	<b>Completed</b>
		The Section 151 Officer updates the next Audit Committee on the recovery plans in respect of the significant financial challenges facing the Authority.	S151 Officer	<b>Complete</b> Report provided by Section 151 Officer.
	32 17	<b>ISA 260 Report</b> The recommendations made in the report should be transferred to an external tracker report for committee.	Strategic Delivery & Performance Manager	Ongoing
		<b>Audit Committee Training Programme 2019/20</b> The Chair/ Democratic Services report an amended Training Programme to the next scheduled meeting. All future committee training requirements and arrangements will be the responsibility of Democratic Services.	Chair & Democratic Services	<b>Completed</b>

## Appendix 2

AUDIT COMMITTEE ACTION TRACKER 2018/19				
Date of Meeting	Minute Ref	Action	Nominated Officer	Status
12/02/19	80	<b>Audit Committee Action Tracker Report</b> An update to be provided on the use of supply / agency staff by schools and establishing the spend against supply / agency costs.	Chief Auditor	<b>Completed.</b> Schools have delegated budget responsibility – and a national (Welsh) contract exists for them to use for agency services. Responsibility lies with each Board of Governors for that spending.
11/12/18	59	<b>Overview of the Overall Status of Risk – Quarter 2 2018/19</b> The contents of the Risk Register requires enhancement.	Strategic Delivery & Performance Manager	Ongoing Roll out of the new risk register application and training / reference resources is nearing completion and work will now shift to embedding and maturing the use and implementation of the new application. Reporting capability is dependent on change request approval and subsequent action by ICT.

## Appendix 3

AUDIT COMMITTEE ACTION TRACKER 2017/18				
Date of Meeting	Minute Ref	Action	Nominated Officer	Status
08/03/18	68	<b>Amendments to Contract Procedure Rules</b> Once the amendments to the Contract Procedure Rules have been finalised, a copy should be forwarded to all Schools' Governing Bodies to make them aware of the changes. Schools are also to be requested to ensure the amended CPRs are included as an agenda item on the next Finance Committee and Building/Property Committee Meeting.	Head of Commercial Services	Ongoing The Contract Procedure Rules were agreed by Council on 27 November 2019. Email followed to Education Directorate on 3 December 2019.

# Agenda Item 9



## Report of the Head of Democratic Services

Special Audit Committee – 29 January 2020

### Audit Committee – Workplan 2019/20

<b>Purpose:</b>	This report details the Audit Committee Workplan to May 2020
<b>Report Author:</b>	Jeremy Parkhouse
<b>Finance Officer:</b>	N/A
<b>Legal Officer:</b>	N/A
<b>Access to Services Officer:</b>	N/A
<b>For Information</b>	

#### 1. Introduction

- 1.1 The Audit Committee's Work Plan to May 2020 is attached at Appendix 1 for information.
- 1.2 The Audit Committee Statement of Purpose is attached for information at Appendix 2.
- 1.3 The completed / outstanding actions from the Performance Review 2017/18 Action Plan are included at Appendix 3. The outstanding actions have also been included in the 2018/19 Action Plan.
- 1.4 The Performance Review 2017/18 and 2018/19 Action Plans are included at Appendix 3. The Plan was drafted following feedback from the workshop annual self-assessment session held on 16 September 2019 and facilitated by the Wales Audit Office. Wales Audit Office also presented a report on their findings at the Committee meeting held on 8 October 2019, which covered regularity and length of Audit Committee meetings; outstanding actions from Audit Committee Performance Review 2017-18; and information provided to Audit Committee Members. The responses provided by Members were detailed in the report.

1.5 The dates included for the meetings in 2019/20 were approved by Council on 28/03/19.

## **2. Equality and Engagement Implications**

2.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

2.2 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 2019/20

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

**Appendix 3** – Performance Review 2017/18 and 2018/19 Action Plans

## Audit Committee Plan 2019 – 2020

Terms of Reference	Report Title	Report Summary	Report Author	Date of Meeting
Internal Audit	<b>Cleansing Service - Final Internal Audit Report 2019-2020.</b>	Update report following Moderate Audit report.	Jeremy Davies	29 Jan 2020
Internal Audit	<b>Disclosure and Barring Service - Final Internal Audit Report 2019-2020.</b>	Report following Moderate Audit Report	Sian Williams	29 Jan 2020
Internal Audit	<b>Foreshore &amp; Lettings - Final Internal Audit Report 2019-2020.</b>	Update report following Moderate Audit report.	Jamie Rewbridge	29 Jan 2020
Internal Audit	<b>Internal Audit - Recommendation Follow-Up Report - Quarter 2 2019/20.</b>	This report provides committee with the status of the recommendations made in those audits where the follow-up's has been undertaken in Q2 2019/20, to allow the Audit Committee to monitor the implementation of recommendations made by Internal Audit.	Simon Cockings	29 Jan 2020
Internal Audit	<b>Internal Audit Annual Plan 2019/20 - Monitoring Report for the Period 1 July 2019 to 30 September 2019.</b>	This report shows the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 July 2019 to 30 September 2019.	Simon Cockings	29 Jan 2020
Governance & Assurance	<b>Chair of Scrutiny Programme Committee.</b>	Chair of the Scrutiny Programme Committee to provide a report on the work of scrutiny for the Municipal year 2018-19 and highlighted scrutiny activities planned for 2019/20.	Brij Madahar	11 Feb 2020

**Audit Committee Plan**  
**2019 – 2020**

<b>Terms of Reference</b>	<b>Report Title</b>	<b>Report Summary</b>	<b>Report Author</b>	<b>Date of Meeting</b>
	<b>Governance Group Update Report.</b>	Update report from the newly formed Governance Group.	Adam Hill	11 Feb 2020
Internal Audit	<b>Internal Audit Recommendation Implementation Quarter 3 Report.</b>	This report provides committee with the status of the recommendations made in those audits where the follow-up's has been undertaken in Q3 2019/20, to allow the Audit Committee to monitor the implementation of recommendations made by Internal Audit.	Simon Cockings	11 Feb 2020
Internal Audit Page 54	<b>Internal Audit Annual Plan Methodology Report 2020/21.</b>	This report provides a briefing to the Audit Committee on the methodology used to prepare the Internal Audit Annual Plan in advance of the Annual Plan 2020/21.	Simon Cockings	11 Feb 2020
Risk Management & Performance	<b>Overview of the Overall Status of Risk - Quarter 3 2019/20.</b>	The report presents an overview of the status of risk in the Council during Quarter 3 2019/20 to provide assurance to the Committee on the operation of the risk management policy and framework within the Council.	Richard Rowlands	11 Feb 2020
Risk Management & Performance	<b>Presentation - Update on Internal Control Environment (Including Risk Management).</b>	Presentation - Director of Place.	Martin Nicholls	11 Feb 2020



## Audit Committee Plan 2019 – 2020

Terms of Reference	Report Title	Report Summary	Report Author	Date of Meeting
Financial Reporting	<b>Trusts &amp; Charities Report 2018/19.</b>	Trusts & Charities Report 2018/19.	Jeffrey Dong	11 Feb 2020
External Audit	<b>Wales Audit Office Annual Audit Letter 2018/19.</b>	WAO Annual Audit Letter 2018/19.		11 Feb 2020
Internal Audit	<b>Internal Audit Annual Plan 2019/20 - Quarter 3 Monitoring Report for the Period 1 October 2019 to 31 December 2019.</b>	This report shows the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 October 2019 to 31 December 2019.	Simon Cockings	10 Mar 2020
Internal Audit	<b>Moderate Report - Gwyrosydd Primary School.</b>		Jonathan Atter	10 Mar 2020
Internal Audit	<b>Moderate Report - Ysgol Pen y Bryn.</b>		Gethin Sutton	10 Mar 2020
Internal Audit	<b>Moderate Report - Fleet Maintenance.</b>		Mark Barrow	10 Mar 2020
Internal Audit	<b>Moderate Report - Heol y Gors Plant.</b>		Rob Myerscough	10 Mar 2020
Internal Audit	<b>Moderate Report - Employment of Agency Staff.</b>		Adrian Chard	10 Mar 2020
Governance & Assurance	<b>Appointment of Additional Lay Member to Audit Committee.</b>	Appointment of second Lay Member.	Simon Cockings	14 Apr 2020

## Audit Committee Plan 2019 – 2020

Terms of Reference	Report Title	Report Summary	Report Author	Date of Meeting
Internal Audit	<b>Internal Audit Charter 2020/21.</b>	This report outlines the background to the Public Sector Internal Auditing Standards (PSIAS) which were introduced with effect from 1st April 2013 and presents an Internal Audit Charter for approval by the Committee.	Simon Cockings	14 Apr 2020
Internal Audit	<b>Internal Audit Moderate Rating Follow Up Report - Social Care Contracts Update.</b>	Follow Up report following a previous moderate rating.	Peter Field	14 Apr 2020
Internal Audit	<b>Internal Audit Section - Fraud Function Anti-Fraud Plan for 2020/2021.</b>	This report sets out the planned areas of activity for the Internal Audit Section's Fraud Function for 2020/21 and is designed to provide a strategic view of the areas that will be subject to examination.	Jeff Fish, Jonathon Rogers	14 Apr 2020
Internal Audit	<b>Internal Audit Strategy &amp; Annual Plan 2020/21.</b>	This report presents the Internal Audit Annual Plan and Internal Audit Strategy for 2020/21 to the Audit Committee for approval.	Simon Cockings	14 Apr 2020
Risk Management & Performance	<b>Partnership Performance.</b>	Review the mechanisms for assessing and scrutinising the risk associated with partnerships.	Adam Hill	14 Apr 2020
Risk Management & Performance	<b>Performance Management Framework.</b>	Performance Management Framework Report.	Richard Rowlands	14 Apr 2020
Risk Management & Performance	<b>Presentation - Update on Internal Control Environment (Including Risk Management).</b>	Presentation by the Deputy Chief Executive.	Adam Hill	14 Apr 2020

**Audit Committee Plan**  
**2019 – 2020**

<b>Terms of Reference</b>	<b>Report Title</b>	<b>Report Summary</b>	<b>Report Author</b>	<b>Date of Meeting</b>
Financial Reporting	<b>Revenue and Capital Budget Monitoring 3rd Quarter 2019/20.</b>	To report on financial monitoring of the 2019/20 revenue and capital budgets, including the delivery of budget savings.	Ben Smith	14 Apr 2020
External Audit	<b>Wales Audit Office - 2020 Audit Plan - City and County of Swansea Pension Fund.</b>	External Audit Report.	Jason Garcia	14 Apr 2020
External Audit	<b>Wales Audit Office - 2020 Audit Plan - City and County of Swansea.</b>	External Audit Report.	Jason Garcia	14 Apr 2020
Risk Management & Performance	<b>Wales Audit Office Proposals for Improvement: Six-month Status Update - July 2019 - December 2019.</b>	The report presents an overview of the status of Swansea Council's response to earlier proposals for improvement made by WAO to provide assurance to the Committee on progress.	Richard Rowlands	14 Apr 2020
Risk Management & Performance	<b>Wales Audit Office - Local Government Use of Data Report – City &amp; County of Swansea.</b>	Wales Audit Office - Local Government Use of Data Report – City & County of Swansea.  *Note – this report has been considered by Service Improvement & Finance Performance Panel and the Panel is awaiting an Action Plan arising from the report.		

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**Audit Committee Plan**  
**2019 – 2020**

<b>Terms of Reference</b>	<b>Report Title</b>	<b>Report Summary</b>	<b>Report Author</b>	<b>Date of Meeting</b>
Risk Management & Performance	<b>Digital Strategy – Progress and Performance.</b>	<p>Digital is one of the four key strands of Sustainable Swansea and an annual update will be provided to Scrutiny in December on the whole programme, including digital.</p> <p>*Note – this report will be considered by Scrutiny.</p>		

### **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).*

**KEY FINDINGS & ACTON PLAN**  
**AUDIT COMMITTEE PERFORMANCE REVIEW 2017/18 & 2018/19**

Key Finding	Proposed Actions	Lead (s)	Target Date	Progress Update
<b>Regularity and Length of Audit Committee meetings</b>	1) To enable the Audit Committee to discharge its duties meetings should take place every month.	Huw Evans	May 2020	Council Diary to be agreed at the Annual Meeting on 28 May 2020.
	2) If changes are made to the calendar of meetings (monthly) it will also be necessary to amend the Committee's work programme so that there is clarity as to exactly what is on the agenda for each committee meeting.	Chair / Huw Evans/ Jeremy Parkhouse	May 2020	Council Diary to be agreed at the Annual Meeting on 28 May 2020 and work programme organised accordingly.
<b>Outstanding actions from the Audit Committee Performance Review 2017-18</b>	1) Benchmarking – The Corporate Management team will consider how best to use benchmarking information and provide an update to the Audit Committee.	Corporate Management Team	TBC	
	2) Risk Management – additional training and support should be given to Audit Committee members who require it to allow all Members to discharge their duties in relation to risk management.	Richard Rowlands	December 2019	<b>Completed</b> Risk management training provided by Richard Rowlands.
	3) Partnerships – Review the mechanisms for assessing and scrutinising the risk associated with partnerships. Audit Committee should receive an update on what partnerships the Council are involved in.	Adam Hill	April 2020	Adam Hill, Deputy Chief Executive to provide a report to Audit Committee on 14 April 2020.

Key Finding	Proposed Actions	Lead (s)	Target Date	Progress Update
	4) Clarification to be sought on the Scrutiny Committee work in relation to partnerships to establish what the Audit Committee needed to undertake and include in the work programme.	Brij Madahar	Complete	<b>Completed</b> Information / advice emailed to Chair (22 Nov) via Democratic Services on relevant scrutiny activity, with reference to Annual Report on Regional Working 2018/19 to Council by Leader – July 2019. Chair keen to consider this Council report at future Audit Committee to facilitate discussion on partnership governance arrangements and risks.
	5) Noting the Deputy Chief Executive presentation on the Council's governance framework, the Audit Committee would benefit to receive additional presentations on individual elements of the governance framework.	Adam Hill	April 2020	Adam Hill, Deputy Chief Executive to provide a presentation to Audit Committee on 14 April 2020.
	6) The newly established Governance Group to provide updates to Audit Committee.	Governance Group	February 2020	The Governance Group is scheduled to meet on 23 <sup>rd</sup> January 2020.

Key Finding	Proposed Actions	Lead (s)	Target Date	Progress Update
	7) Efficiency and Value for Money – Corporate Management Team to consider what information is required for the Audit Committee to enable the Committee to discharge its duties.	Corporate Management Team	TBC	