



**Dinas a Sir Abertawe**

**Hysbysiad o Gyfarfod**

Fe'ch gwahoddir i gyfarfod

## **Pwyllgor Archwilio**

**Lleoliad:** O bell drwy Microsoft Teams  
<https://bit.ly/3iVKQtx>

**Dyddiad:** Dydd Mawrth, 21 Gorffennaf 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/DatgeluCysylltiadau](http://www.abertawe.gov.uk/DatgeluCysylltiadau)
- 3 Cofnodion.** **1 - 9**  
Cymeradwyo a llofnodi, fel cofnod cywir, gofnodion y cyfarfod(ydd) blaenorol.
- 4 Y Wybodaeth Ddiweddaraf am Archwiliad Mewnol o Gontractau Gofal Cymdeithasol. (Er Gwybodaeth) (Peter Field)** **10 - 16**
- 5 Cynllun Blynnyddol Archwilio Mewnol 2020/21 - Adroddiad Monitro Chwarter 1. (Simon Cockings)** **17 - 35**
- 6 Adroddiad Orlhain Argymhellion Archwiliadau Mewnol - Chwarter 1 2020/21. (Simon Cockings)** **36 - 42**
- 7 COVID-19 Adennill Rheolaeth Risg. (Er Gwybodaeth) (Richard Rowlands)** **43 - 45**
- 8 Adroddiad Orlhain Camau Gweithredu'r Pwyllgor Archwilio. (Er Gwybodaeth) (Jeremy Parkhouse)** **46 - 50**

**Cyfarfod nesaf:** Dydd Mawrth, 8 Medi 2020 ar 2.00 pm

*Huw Evans*

**Huw Evans**

**Pennaeth Gwasanaethau Democrataidd**

**Dydd Mawrth, 14 Gorffennaf 2020**

**Cyswllt: Gwasanaethau Democrataidd: - 636923**

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# Agenda Item 3



City and County of Swansea

## Minutes of the **Audit Committee**

Remotely via Microsoft Teams

Tuesday, 30 June 2020 at 2.00 pm

**Present:** P O'Connor (Chair) Presided

### **Councillor(s)**

C Anderson  
P R Hood-Williams  
J W Jones  
L V Walton

### **Councillor(s)**

P M Black  
O G James  
M B Lewis  
T M White

### **Councillor(s)**

D W Helliwell  
P K Jones  
S Pritchard

### **Officer(s)**

Adrian Chard

Simon Cockings

Barrie Gilbert

Adam Hill

Tracey Meredith

Jeremy Parkhouse

Ben Smith

Cath Swain

Strategic Human Resources and Organisational  
Development Manager

Chief Auditor

Senior Transport Officer

Deputy Chief Executive / Director of Resources

Chief Legal Officer / Monitoring Officer

Democratic Services Officer

Chief Finance Officer / Section 151 Officer

Integrated Transport Manager

### **Also Present**

Colin Davies

Jason Garcia

George Thomas

Audit Wales

Audit Wales

Audit Wales

### **Apologies for Absence**

E T Kirchner

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## **108 Disclosures of Personal and Prejudicial Interests.**

In accordance with the Code of Conduct adopted by the City and County of Swansea, the following interests were declared: -

Councillors C Anderson and P R Hood-Williams declared personal interests in Minute No.114 – Internal Audit Plan 2019/20 – Quarter 4 Monitoring Report for the Period 1 January 2020 to 31 March 2020.

## **109 Minutes.**

**Resolved** that the Minutes of the previous meetings of the Audit Committee held on 29 January, 11 February, 10 March, 26 May and 1 June 2020 were approved as correct records, subject to the following amendment: -

Add Councillors J W Jones and P K Jones to the list of attendees on 1 June 2020.

**110 Presentation - Update on Internal Control Environment (Including Risk Management).**

Adam Hill, Deputy Chief Executive provided the Committee with an update presentation on the Internal Control Environment. Details on the following were provided: -

- Update on Internal Control Environment – Governance framework, internal and external governance;
- Managing Risk - Councillor and Chief Officer responsibilities;
- Governance Framework – Two core principles and five supporting principles;
- Internal Governance;
- External Governance;
- Managing Risk and Assurance – Assurance framework (golden thread);
- Risk Management;
- Governance;
- Managing Risk (Assurance).

The Committee asked questions of the Officer, which were responded to accordingly. Issues discussed included: -

- Lessons learned in respect of partnerships and the need to continually review their effectiveness;
- Risks involved as a result of the lack of resources in Scrutiny and making services fit for purpose;
- Resolving partnership issues through the Council Constitution.

The Chair also commented upon the risks highlighted by the Committee including workforce resource, understanding current priorities and the rise in moderate Internal Audit reports. She added that she was beginning to see weaknesses as highlighted by the work of Internal and External Audit.

**Resolved** that: -

- 1) The contents of the presentation be noted;
- 2) The presentation be circulated to the Committee.

**111 Review of Partnerships in the City and County of Swansea.**

The Deputy Chief Executive presented a report which provided an overview of some of the key partnerships and described the arrangements for both governance and the assessment of risks and issues.

It was explained that Swansea Council participated in a large number of partnerships and collaborative groups, which varied in terms of their scale, scope and structure. The report focussed upon the formally constituted partnerships and

those groups which had a significant impact on the work of the Council in terms of resource requirements and outcomes for local residents.

It was added that the partnership landscape locally, regionally and nationally was crowded and complex, with many areas of duplication and different arrangements for assessing risks and outcomes. Partnership arrangements in the Council reflected both national and regional arrangements, which had been driven by Welsh Government legislation and new policy developments.

A working group on Local Government in Wales commissioned a review of Strategic Partnerships in Wales in July 2019. The review aimed to examine whether there were any unnecessary complexity or duplication and to identify opportunities for simplification and rationalisation. Although the review was ongoing, feedback from Local Authorities, partners and individual interviewees had confirmed that Partnership arrangements were complex and burdensome, and the demands on senior leaders (professional and managerial) as well as corporate partnership support, were significant.

Details of the following were provided: -

- Partnerships in Swansea;
- ERW (Education through Regional Working);
- The West Glamorgan Regional Partnership;
- Swansea Bay City Deal;
- Swansea Public Services Board (PSB);
- Other Key Partnerships in Swansea;
- Safer Swansea Partnership;
- Regional Skills Partnerships;
- Regional Transport Forum.

The Committee discussed the following: -

- Scrutiny arrangements in respects of ERW;
- New joint Local Transport Plan;
- Swansea Council being involved in over 100 partnerships and the continued need to work with other organisations and regularly reviewing those arrangements;
- The large number of partnerships, duplication of services, justifying the added value of each partnership and whether they provide value for money;
- The added value brought by the PSB, the review undertaken by Welsh Government / decision to stop funding PSB's during the COVID 19 lockdown and the good relationships with other organisations e.g. Police which has brought many benefits other than financial value;
- The review of each partnership and recognising the contributions of smaller organisations within partnerships;
- The provision of evidence to the Welsh Government review by the Authority via the PSB and how the recommendations were being addressed within the Council.

The Chair stated that the Committee needed assurance that all the Authority's partnerships were effective, achieving outcomes and value for money.

**Resolved** that: -

- 1) An update report in respect of progress made on the Welsh Government recommendations be added to the Audit Committee Tracker and provided in November / December 2020;
- 2) An update report regarding Scrutiny of ERW be added to the Audit Committee Tracker;
- 3) An update report regarding the development of a new Local Transport Plan be added to the Audit Committee Tracker.

## **112 Appointment of Additional Lay Member to Audit Committee.**

The Deputy Chief Executive presented a report, which requested the Committee considered the appointment of an additional Lay Member to the Audit Committee.

It was added that the Local Government (Wales) Measure 2011 required that each council should appoint an Audit Committee in line with the recommendation made by CIPFA in 2005. The Welsh Government had provided statutory guidance covering the functions and membership of the Audit Committee and a copy of the guidance was provided at Appendix 1.

Furthermore, following the completion of a benchmarking exercise comparing the number of Lay Members appointed to other Local Authority Audit Committees across Wales, it was proposed that the Council appointed one additional Lay Member to the City and County of Swansea's Audit Committee. Members were advised that adding an additional lay member would help ensure the Committee was better equipped to meet possible proposed legislative changes to the committee structure by Welsh Government that were currently out for consultation, which initially suggested that the Committee would require a third of its members to be lay members.

It was noted that Audit Committee Members were first asked to consider this proposal in December 2019. Members discussed the proposals and agreed to revisit the issue at a later date. If Members agreed to appoint an additional Lay Member, the recommendation of the Audit Committee would be presented to Council who would ultimately decide whether to commence the recruitment process.

**Resolved** that: -

- 1) the Committee recommends to Council that an additional Lay Member be appointed to the Audit Committee;
- 2) the action be added to the Audit Committee Tracker.

## **113 Audit Committee Annual Report 2019/2020.**

The Chair presented the draft Audit Committee Annual Report for the 2019/20 Municipal year.

She paid tribute to the efforts of Council staff in striving to maintain sound governance and a tremendous effort throughout the challenges of COVID 19. She also thanked the Committee Members, Chief Auditor, Internal Audit, Audit Wales and Councillor L V Walton (Committee representative on the Governance Group) for their work and the progress made by the Committee.

She added that she had a number of concerns in relation to workforce, risk management, savings and the impact of COVID 19 and would raise these in her meeting with the Chief Executive in July 2020.

**Resolved** that:-

- 1) the draft report be agreed and forwarded to Council for approval;
- 2) the action be added to the Audit Committee Tracker.

**114 Internal Audit Annual Plan 2019/20 - Quarter 4 Monitoring Report for the Period 1 January 2020 to 31 March 2020.**

Simon Cockings, Chief Auditor presented a report which provided the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 January to 31 March 2020.

A total of 27 audits were finalised during the quarter. The audits finalised were provided in Appendix 1, which also showed the level of assurance given at the end of the audit and the number of recommendations made and agreed. A total of 165 audit recommendations were made which management agreed to implement 163, i.e. 99% of the recommendations made were accepted against a target of 95%. Appendix 2 provided a summary of the scope of the reviews finalised during the period. Details of the grants certified in the quarter were also provided.

Appendix 3 showed that by the end of March 2020, 84% of the planned reviews had been completed to at least draft report stage, with an additional 4% of the planned audits in progress. As a result, approximately 88% of the Audit Plan was either completed or in progress. It was noted that at the year end, 8 audits (5% of the plan) were found to be no longer required during the year due to in-year service changes. A further 11 audits (7% of the plan) had been deferred to the 2020/21 audit plan.

It was added that two moderate reports were issued in the quarter and brief details of the significant issues which led to the moderate ratings were provided. These were for the following service areas and progress updates were provided at the meeting: -

- Concessionary Fares 2019/20
- Cwm Glas Primary School

Information regarding the follow-ups completed between 1 January 2020 to 31 March 2020 were provided, including the six moderate audit reports in the following areas: -

- Foreshores & Lettings 2019/20
- Cleansing Services 2019/20

- Disclosure and Barring Service 2019/20
- Gwrosydd Primary School 2019/20
- Pen Y Bryn Special School 2019/20
- Building Services (Heol Y Gors) Plant 2019/20

It was also confirmed that Pembrokeshire County Council had completed the internal review of the City Deal in quarter 4 2019/20 requested by the City Deal Joint Committee.

The Committee queried two not agreed recommendations in relation to St. Thomas Primary School, some long standing PCN fines outstanding with evidence of the lack of review / progress in Civil Parking Enforcement and whether the schools concerned had service level agreements in areas highlighted by the audits.

The Chief Auditor stated that he would address these queries individually with the Members who raised them, outside of the meeting.

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

#### **115 Concessionary Fares 2019/2020.**

Cath Swain, Integrated Transport Unit Manager and Barrie Gilbert, Team Leader - Public and School Transport presented the Concessionary Fares – Findings Update Internal Audit Report 2019/2020.

It was outlined that the Council undertook an annual audit of the concessionary fares claims submitted by bus operators for revenue 'forgone'. First Cymru Buses accounts for over 90% of the Council's expenditure and was therefore always included in the sample of operators. Following the audit of the company's claims for the 2018/2019 financial year undertaken in Summer 2019, an assurance level of moderate was given.

An Action Plan was developed to address the issues identified, provide recommendations and to put in place appropriate implementation steps. The high risk, medium risk, low risk, associated actions and points of good practice were provided in the Audit Report at Appendix A.

The Action Plan highlighted all the high and medium risk items in the areas below as follows and provided progress on each one: -

- Officers in the Integrated Transport Unit liaising with First Cymru to establish the reason(s) for the variances found (high risks);
- When the reason(s) for the variances were rectified, First Cymru should re-calculate and submit all claims from April 2018 to date (medium risk).

The Committee asked questions of the Officer in relation to the report and responses were provided accordingly. Discussions centred around the following: -

- Avoiding double claims involving Swansea / Neath Port Talbot / Carmarthenshire Councils, liaising between councils the amount of officer time involved;



- The responsibility of First Cymru in providing the correct information via their ticketing machines, concern regarding some First Cymru employees being based outside of the area / having little knowledge of county boundaries and the information / expectations provided to First Cymru by Council officers;
- How First Cymru base their concessionary fares upon an average adult single fare for all journeys which had been agreed with Welsh Government;
- Payment procedures which involved Welsh Government funding the Authority and that funding being passed on to First Cymru;
- How First Cymru had appointed their own auditors to calculate the monthly claims to the Council going forward;
- How changes in monthly claims by more than 2% would be a cause for concern and would be investigated.

The Chair thanked the Officers for providing their update report and noted that there had been an absence of internal financial control in the process that did not identify the over claiming, therefore, Internal Audit would be undertaking a follow-up which would be reported to the Committee during the course of the financial year.

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

#### **116 Employment of Agency Staff.**

Adrian Chard, Strategic Human Resources and Organisational Development Manager presented the Employment of Agency Staff Audit Update Report 2019/20.

It was stated that at the Audit Committee held on 10 March 2020, the meeting requested that the Officer provided up to date agency worker numbers, levels of non-compliance and the cost to the Authority for this detail to be reported to the in the Audit Committee Tracker report.

It was highlighted that the total number of Agency Workers engaged through the corporate contracted agencies (Staffline and RSD Social Care) in March 2020 was 161, with 157 being employed in the Place Directorate and 4 employed in the Social Services Directorate.

It was added that the total spend/cost of Agency Workers for 2019/2020 was £4,522,120. The total spend on Agency Workers included Agencies other than Staffline and RSD, therefore the numbers of Agency Workers would be higher when taking into account Teachers and supply staff, who form a large part of the additional spend.

It was explained that Heads of Service were contacted to provide feedback on the compliance measures indicated in the Audit Report and details regarding individual Service Areas were provided. The role of Staffline was also outlined, particularly their partnership working with the Authority.

Reference was also made to the following future actions that had been identified;

- Review of the current policy on the engagement of Agency Workers was in need of review alongside a review of all Human Resources & Organisational Development policies, including the clarity of roles and responsibilities;
- Examination of the “off contract” spend in more detail and governance around these arrangements. This would need to be undertaken in conjunction with procurement because Human Resources & Organisational Development were not made aware of these Agency Workers.

The Committee asked questions of the Officer in relation to the report and responses were provided accordingly. Discussions centred around the following: -

- The review of all Human Resources & Organisational Development policies to be completed during the current financial year;
- The need to reinforce service area's to reflect the policy of the Council, particularly areas which employed large numbers of agency workers and ensure the governance is fit for purpose;
- Levels of sickness in service areas employing agency workers;
- The need to complete the review quickly due to the large amounts of money involved;
- The consultation process / timescales involving Corporate Management Team, Heads of Service, Joint Consultative Committee;
- Employing staff directly rather than via agencies;
- Working with Trade Unions to ensure service areas are fully employed, reducing the costs for the Authority.

The Chair expressed concern regarding the considerable amount of money being spent upon hiring Agency Workers and stressed the need to quickly review the current policy as soon as possible.

**Resolved** that: -

- 1) The contents of the report be noted;
- 2) The Strategic Human Resources and Organisational Development Manager provides details of sickness / absence levels within the service areas that hired Agency Workers;
- 3) The Committee is kept updated regarding the review of the current Agency Worker policy.

## **117 Audit Wales - 2020 Audit Plan - City and County of Swansea.**

Jason Garcia and Colin Davies presented the Audit Wales – 2020 Audit Plan – City and County of Swansea, which provided the proposed audit work, when it would be undertaken, how much it would cost, who would undertake it and the impact of COVID 19 upon the Plan. Also provided was an update report on the Impact of COVID 19.

Exhibit 1 provided the financial statement audit risks and other areas requiring audit attention. Exhibit 2 provided the performance audit programme and Exhibit 3 the summary of grant claim certification work. Details of the proposed audit fee, audit

team and timetable were outlined in Exhibits 4 and 5. It was highlighted that despite the amended timetable, it was hoped the accounts would be signed off by 15 September 2020.

Reference was made to the changes made to the performance audit programme timetable and the main and the main areas of focus.

The Committee asked questions regarding capital expenditure on the Swansea Central Phase 1 and the City Deal. A written response would be provided in respect of the query regarding the City Deal due to communication problems during the meeting.

**118 Audit Committee Action Tracker Report.**

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

**119 Audit Committee Work Plan.**

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

The meeting ended at 4.36 pm

**Chair**

# Agenda Item 4



## Report of the Head of Adult Services

Audit Committee – 21 July 2020

### Update on Internal Audit of Social Care Contracts

**Purpose:** To update on Adult Services Social Care compliance with Corporate CPRs and Public Contracts Regulations 2015

**Report Author:** Peter Field

**Finance Officer:** Chris Davies

**Legal Officer:** Caritas Adere

**Access to Services Officer:** Catherine Window

#### For Information

#### 1. Background

- 1.1 As a result of an internal audit on social care contracts carried out in December 2017 an assurance level of moderate was given.
- 1.2 An action plan was developed to address individual contracts identified as non-compliant with corporate CPRs and Public Contract Regulations 2015.
- 1.3 This action plan identified the following actions:
  - Review and update the contracts register to identify the 94 contracts stated as non-compliant
  - Further develop the People Directorate Work Plan to build on the contracts register and forward plan for the procurement processes to prioritise compliance based on risk
  - Prioritise re-tendering of contracts with large areas of spend
  - Report quarterly to the People Commissioning Group to enable progress to be monitored.

## 2. Progress at May 2018

- 2.1 An update report was provided to Audit Scrutiny Committee in May 2018 which confirmed the following:
- 2.2 Of the 94 non-compliant contracts 16 have ended and a programme of work identified to address all areas of non-compliance. The contracts register had been updated to reflect this and monitoring arrangements established via the People Commissioning Group. All actions had been completed.

## 3. Progress at December 2018

- 3.1 The number of contracts reported as non-compliant reduced from 94 to 30. Every contract currently non-compliant with CPRs or Public Contract Regulations has been reported via a contract waiver to ensure justifications are defensible, risks are manageable and re-procurements arrangements are in place. These arrangements will continue to be monitored by the People Commissioning Group.

## 4. Progress at April 2019

- 4.1 All **Residential Care Contracts** are compliant (exemption now operates to exclude care homes from contract procedure rules on basis that competitive tendering is not required).
- 4.2 There are 14 non-compliant **Domiciliary Care Contracts**, 2 have been contracted via direct award to help meet demand for services pending completion of re-procurement process. The Re-procurement of domiciliary care contracts has commenced as expected. Tender requirements have been advertised. Compliant contracts will be awarded in October '19.
- 4.3 There are only 2 **Supported Living Contracts** identified as non-compliant. A legally compliant procurement framework has now been created and a re-procurement programme established. Re-procurement via the framework has commenced in January 19. Re-procurement will occur in 4 tranches. Contract awards will occur in May 2019 for tranche 1, September '19 for tranche 2, December '19 for tranche 3 and March 20 for tranche 4.
- 4.4 There are 5 **Third Sector Contracts** reported as non-compliant Progress in this areas has been slow. Partly due to changes in personnel, staff absences and competing priorities given the relatively low spend on these services. Contract waivers have been submitted for some of these services.

## 5. Progress at June 2020

- 5.1 All **Residential Care Contracts** are compliant (exemption now operates to exclude care homes from contract procedure rules on basis that competitive tendering is not required).

- 5.2 All **Domiciliary Care Contracts**, are compliant following a re-procurement exercise. Tenders were awarded in October 2019
- 5.3 All **Supported Living Contracts** are compliant. A legally compliant procurement framework was created and a re-procurement programme established. Re-procurement occurred in 4 tranches. Contract awards were made in May 2019 for tranche 1, September 2019 for tranche 2, December 2019 for tranche 3 and March 2020 for tranche 4. Tranche 4 has been delayed due to the Covid 19 pandemic, however waivers and variations are in place for these contracts to ensure compliance with corporate requirements.
- 5.4 The **Third Sector Contracts** are compliant with corporate procedures, through the application of contract waivers. These are low level spend and are under assessment to determine if these should be offered as grants as opposed to contracts in the future. There is one third sector contract for an extra care scheme which is of a value that cannot be waived. This contract is non-compliant. Arrangements for re-procuring to ensure compliance will be considered as part of a wider review of services to meet the care and accommodation needs of older people. This will commence in 20/21.

## 6. **Summary**

- 6.1 All the 94 contracts identified as non-compliant with corporate CPRs and Public Contract Regulations 2015 as a result of an internal audit on social care contracts carried out in December 2017, are now compliant and are monitored through the People Commissioning Group.
- 6.2 A follow up internal audit will be carried out in the Autumn of 2020 to test a sample of contracts categorised under social care across the Directorate.

## 7. **Equality and Engagement Implications**

- 7.1 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
- 7.2 Our Equality Impact Assessment process ensures that we have paid due regard to the above.
- 7.3 An EIA screening (Appendix 1) has been undertaken which shows that there are no equality and engagement implications in relation to this report.

## **8. Legal Implications**

- 8.1 Contracts which are non-compliant with CPRs have or are in the process of being reported via a contract waiver. Contracts which are non-compliant with Public Contract Regulations are also being reported to ensure justifications are defensible, risks are manageable and re-procurement arrangements are in place. Where contracts are granted waivers this has the effect of removing non-compliant status on the contracts register.

## **9. Financial Implications**

- 9.1 Re-commissioning of services to ensure legally compliant procurement processes is likely to have above inflation implications for the unit costs of services concerned. Strategies are in place for managing rising costs. If these are not successful additional savings in other areas of Adult Services will need to be identified to comply with the requirements of the Medium Term Financial Plan.

### **For Information**

**Background papers:** None.

**Appendices:** Appendix 1 – EIA Screening Form.

# Equality Impact Assessment Screening Form – 2017/8

**Please ensure that you refer to the Screening Form Guidance while completing this form. If you would like further guidance please contact the Access to Services team (see guidance for details).**

## Section 1

Which service area and directorate are you from?

Service Area: Adult Services

Directorate: Social Services

### Q1(a) WHAT ARE YOU SCREENING FOR RELEVANCE?

Service/ Function	Policy/ Procedure	Project	Strategy	Plan	Proposal
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### (b) Please name and describe here:

Adult Services Social Care compliance with contract procedure rules and public contracts regs update report

### Q2(a) WHAT DOES Q1a RELATE TO?

Direct front line service delivery	Indirect front line service delivery	Indirect back room service delivery
<input type="checkbox"/> (H)	<input type="checkbox"/> (M)	<input checked="" type="checkbox"/> (L)

### (b) DO YOUR CUSTOMERS/CLIENTS ACCESS THIS...?

Because they need to	Because they want to	Because it is automatically provided to everyone in Swansea	On an internal basis i.e. Staff
<input type="checkbox"/> (H)	<input type="checkbox"/> (M)	<input type="checkbox"/> (M)	<input checked="" type="checkbox"/> (L)

### Q3 WHAT IS THE POTENTIAL IMPACT ON THE FOLLOWING...

	High Impact (H)	Medium Impact (M)	Low Impact (L)	Don't know (H)
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Q4 WHAT ENGAGEMENT / CONSULTATION / CO-PRODUCTIVE APPROACHES WILL YOU UNDERTAKE?

**Please provide details below – either of your planned activities or your reasons for not undertaking engagement**

Co-production arrangements are built into each process undertaken to re-commission each service type.



**Q5(a) HOW VISIBLE IS THIS INITIATIVE TO THE GENERAL PUBLIC?**

High visibility  
 (H)

Medium visibility  
 (M)

Low visibility  
 (L)

Compliance with CPRs have limited public visibility.

**(b) WHAT IS THE POTENTIAL RISK TO THE COUNCIL'S REPUTATION?**  
*(Consider the following impacts – legal, financial, political, media, public perception etc...)*

High risk  
 (H)

Medium risk  
 (M)

Low risk  
 (L)

**Q6 Will this initiative have an impact (however minor) on any other Council service?**

Yes

No

If yes, please provide details below

**Q7 HOW DID YOU SCORE?**  
*Please tick the relevant box*

**MOSTLY H and/or M → HIGH PRIORITY →**  EIA to be completed  
Please go to Section 2

**MOSTLY L → LOW PRIORITY / NOT RELEVANT →**  Do not complete EIA  
Please go to Q8 followed by Section 2

**Q8 If you determine that this initiative is not relevant for an EIA report, you must provide a full explanation here. Please ensure that you cover all of the relevant protected groups.**

The report merely outlines progress with ensuring all contracts are compliant with council CPRs and Public Contract regulations. Arrangements for ensuring compliance prioritise higher spend, higher risk contracts. Waivers have been submitted for contracts which are non-compliant whilst appropriate processes are followed to complete re-procurement where required. There are no equalities impacts that arise from pursuing a process to procure services lawfully.

**Section 2**

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email – no electronic signatures or paper copies are needed.

<b>Screening completed by:</b>	
Name:	Peter Field
Job title:	PO Prevention, Wellbeing and Commissioning
Date:	03.06.2019
<b>Approval by Head of Service:</b>	
Name:	Page 15
Position:	

# Equality Impact Assessment Screening Form – 2017/8

Date:

Please return the completed form to [accesstoservices@swansea.gov.uk](mailto:accesstoservices@swansea.gov.uk)

# Agenda Item 5



## Report of the Chief Auditor

Audit Committee – 21 July 2020

### Internal Audit Annual Plan 2020/21 Monitoring Report for the Period 1 April 2020 to 30 June 2020

<b>Purpose:</b>	This report shows the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 April 2020 to 30 June 2020.
<b>Recommendation:</b>	That the Audit Committee Members note the information contained in this report.
<b>Policy Framework:</b>	None.
<b>Consultation:</b>	Legal, Finance, Access to Services.
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<b>Legal Officer:</b>	Debbie Smith
<b>Access to Services Officer:</b>	Rhian Millar

#### 1. Introduction

- 1.1 The Internal Audit Annual Plan 2020/21 was approved by the Audit Committee on 1<sup>st</sup> June 2020. 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> April 2020 to 30<sup>th</sup> June 2020.

- 1.3 Committee should be made aware that throughout this period the Internal Audit Function and the wider Authority have been adapting to unprecedented challenges as a result of the Covid-19 pandemic, which has impacted every aspect of Council business and operations.

## 2. Audits Finalised 1 April 2020 to 30 June 2020

- 2.1 A total of 18 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	12	5	1	0

- 2.3 A total of 105 audit recommendations were made and management agreed to implement all of the recommendations, i.e. 100% 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
1	10	67	27	105

- 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 includes 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
Housing Support Grant Regional Development Co-Ordinator (previously called SPPG Regional Co-ordinator Grant)	£42,683.00

- 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 on the 1<sup>st</sup> June 2020 and identifies the position of each audit as at 30 June 2020.
- 2.8 Due to the Covid-19 pandemic and as a result of the Council wide response to the advice issued by Central and Welsh Government, all Internal Audit staff have been working remotely from home since the end of March 2020. The team was one of the first within the Finance Department to be issued with agile equipment when we relocated to the Guildhall and as such the transition to working from home was relatively straightforward.
- 2.9 However, it must be acknowledged that the measures introduced across the Council in response to the pandemic have inevitably had an impact on the team's ability to initiate and progress with audits, due to the effect such measures have had across client departments. For example, some sites have been closed completely, the majority of staff across the council have been working from home and client departments have been prioritising emergency responses to the pandemic to ensure key operations and services continue to be delivered.
- 2.10 This has had an impact on the team's ability to progress with business as usual and hence has had an impact on the amount of audit work that the team have been able to complete in the quarter. However, the team has worked hard to undertake as much audit work as possible in these unprecedented circumstances. In addition, where we have been able to progress with audits we have found that it has taken longer than usual to complete some reviews due to the complexities of obtaining the information required, given the fact that the majority of the workforce have been working from home.
- 2.11 The team has also been heavily involved in assisting with the Councils Covid-19 response. One of the team has been seconded full time to the Food Bank initiative and we have also been assisting with the checking of various support grant payments that have been coordinated by the Business Rates Team. To the end of June, a total of 37 days has been spent on Covid-19 related support work, in addition to the 59 days attributable to the member of staff seconded to the food bank initiative. The team has also experienced some inevitable downtime due delayed responses from client department in relation to certain audits and the inability to effectively progress with audits as business as usual.
- 2.12 Due to the unprecedented circumstances that have arisen due to the Covid-19 pandemic and the resulting difficulties the team have experienced in progressing some of the planned audits, a larger number of audit reviews have been allocated to the team so as to allow greater flexibility. The team have been able to successfully complete a number of

reviews that were ongoing at the end of March 2020. 18 final reports have been issued in the quarter, 10 of which were audits completed from the 2019/20 audit plan.

- 2.13 As may be seen in Appendix 3, a number of audits are noted as being 'in progress' as the team has been encouraged to proactively complete as much of each review as possible remotely, minimising the impact on client departments over this difficult period whilst they are dealing with and adapting to Covid-19 related issues. It is hoped that when restrictions are eased and business returns to a new normal, we will be able to complete the outstanding testing across a number of the ongoing reviews as necessary.
- 2.14 An analysis of the details in Appendix 3 shows that by the end of June 2020, 9 audits from the 2020/21 audit plan had been finalised (6%), with an additional 37 audits in progress (23%). As a result approximately 29% of the Audit Plan was either completed or in progress. As explained above, a significant number of audits are noted as being 'in progress', as present restrictions are impeding our ability to complete some areas of the audit programmes. We hope to be able to complete these areas once restrictions are lifted. For comparison purposes, the same figures as at the end of quarter 1 2019/20 showed that 20% of the planned audits had been completed to at least draft stage and a further 34% were in progress as at 30 June 2019.
- 2.15 Inevitably the Covid-19 pandemic is likely to have a detrimental impact on our ability to deliver the full audit plan for 2020/21. However, priority will be given to the completion of the fundamental audits to ensure key systems are reviewed to provide appropriate assurance to the Section 151 Officer and the Audit Committee in these areas. The team remain committed to completing as much of the plan as possible and I would like to thank the team for their endeavours and hard work over this very challenging and difficult period.
- 2.16 It should also be noted that whilst we will aim to complete the audits of key systems as a priority, we will also target resources to ensure the highest risk audits are completed wherever possible. However, the team may be required to assist with reactive work as directed by the Chief Executive or the Corporate Management Team due to the unpredictable and unprecedented environment the Authority is currently operating in.
- 2.17 One moderate report was issued in the quarter. The following table provides brief details of the significant issues which led to the moderate rating.

## 2.18

Audit	Accounts Receivable 2019/20
<b>Objectives</b>	The objectives of the review were to ensure that adequate financial controls are in place for minimising business risk, and that the controls are operating in practice. The scope of the review included: Financial regulations and procedure notes, User access, Creation of invoices, Collection of income, Recovery of arrears, System reconciliations, Invoice cancellations, Write-offs, Refunds, Disaster Recovery and Business Continuity, System back-ups, Performance monitoring.
<b>Assurance Level</b>	Moderate
<b>Summary of Key Points</b>	
<p><u>Debt Recovery</u></p> <ol style="list-style-type: none"> <li>1. A check on a sample of 20 unpaid invoices was undertaken to confirm that the debt escalation process was being carried out. It was found that for all of the 20 invoices in the sample the debts were not being progressed as would be expected. It was stated that unpaid invoices with large values are prioritised for recovery by officers in AR. However, it was noted that there was large backlog of approximately 3,700 overdue invoices with a value exceeding £3m that are likely to be eligible to be sent to officers in Legal. Before these invoices can be forwarded to Legal, officers in AR must confirm with officers in the Service that raised the invoice that there is evidence available to substantiate the debt. This is a time consuming process and we were advised that this was unable to be addressed due to a lack of staff resources in the AR team. (HR)</li> <li>2. A further sample of invoices was examined, and the following was found that two unpaid invoices - 60188155 (£200) and 60198061 (£606.19) were approaching the six year limitation period when the debt could no longer be enforced. Diary entries were not being used to follow-up contact with the debtor in all instances (MR).</li> <li>3. A sample of ten invoices that were recorded on AR as being “Referred to Legal” was selected. These were checked to ensure that recovery action was ongoing by referring to the Timebase case management system used by Legal. Seven of the ten debts selected for testing had been notes as ‘case closed’ on the Timebase system with no further recovery action to be taken. However, in a number of cases there was no evidence of Legal informing the AR team that the cases had been closed. (MR)</li> </ol>	

### 3. Follow Ups Completed 1 April 2020 to 30 June 2020

- 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 No moderate audit reports were followed up in quarter. However, we have arranged to undertake the second follow up of the Disclosure & Barring Service 2019/20 audit, due to the fact that a number of recommendations had not been implemented when the first follow up was completed. We have also arranged to undertake the follow up review of the Concessionary Fares audit that was issued with a moderate assurance rating in quarter four 2019/20.
- 3.4 Note that the audit report for Cwm Glas Primary School was also issued with a moderate assurance rating in quarter four. However, the report was issued in late March 2010 shortly before the schools in Swansea were forced to close due to the Covid-19 pandemic. Therefore, the school has not had an opportunity to address the issues identified in the report. As a result, the follow up review will be undertaken in the new school term. Similarly, the second follow up of the Pen y Bryn Special School will also be undertaken in the new school year. The results of the first follow up of this audit were reported to committee in the quarter four monitoring report.

#### **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 2020/21

**Appendices:** Appendix 1 Audits Finalised Q1 2019/20

Appendix 2 Summary of Scope of Audits Finalised Q1 2020/21

Appendix 3 Internal Audit Plan 2020/21 - Progress to 30/06/20

## MONITORING REPORT Q1 2020/21 - AUDITS FINALISED

Head of Service	Audit Title	Date Finalised	Assurance Level	Recommendations		
				Made	Agreed	Not Agreed
Social Services Directorate Services	Paris System*	06/04/20	High	0	0	0
Communications & Marketing	Corporate Management Team Support	07/04/20	High	0	0	0
Highways & Transportation	Swansea Marina	11/05/20	High	2	2	0
Housing & Public Health	Sheltered Housing Service	14/05/20	High	6	6	0
Contract Audits	Contracts Review (Education & IT)*	01/06/20	High	0	0	0
Planning & City Regeneration	Planning - AONB	02/06/20	High	3	3	0
Contract Audits	Acceptance of Tenders*	02/06/20	High	4	4	0
Social Services Directorate Services	Client Property & Finance*	09/06/20	High	3	3	0
Housing & Public Health	Estate Caretakers	09/06/20	High	5	5	0
Fundamental Audits	Housing & Council Tax Benefit 2019/20*	17/06/20	High	13	13	0
Housing & Public Health	Rent & Arrears Team	18/06/20	High	4	4	0
Cross Cutting Reviews	Corporate Governance Review*	22/06/20	High	4	4	0
Achievement & Partnership Service	Challenge Advisors	05/05/20	Substantial	16	16	0
Fundamental Audits	NNDR 2019/20*	21/05/20	Substantial	6	6	0
Child & Family Services	Leaving Care Act	16/06/20	Substantial	8	8	0
Legal, Democratic Services & Business Intel.	Debt Recovery Process - Legal*	17/06/20	Substantial	10	10	0
Contract Audits	Contract Register*	19/06/20	Substantial	4	4	0
Fundamental Audits	Accounts Receivable 2019/20*	27/05/20	Moderate	18	18	0
			<b>Total</b>	<b>106</b>	<b>106</b>	<b>0</b>

\*Audits finalised from 2019/20 Audit Plan

## MONITORING REPORT Q1 2020/21 - SUMMARY OF SCOPE OF AUDITS FINALISED

Head of Service	Audit Title	Assurance Level	Audit Scope	Key Findings / Risks
Social Services Directorate Services	Paris System*	High	<i>Procedures and Guidelines, Compliance, Logical and User Security Control, Data Input, Data Output, System Availability, Bespoke Programs and Access to Data</i>	None
Communications & Marketing	Corporate Management Team Support	High	<i>Expenditure, Purchase Cards, Inventory, Employee Expenses</i>	None
Highways & Transportation	Swansea Marina	High	<i>Income, Arrears, Stock Control (Fuel &amp; Gas), eBay Sales, Expenditure, Purchase Cards (P-Cards), Petty Cash, Inventory, Officers Expenses</i>	None
Housing & Public Health	Sheltered Housing Service	High	<i>Procurement of Goods and Services (Oracle), Purchase cards (P-cards), Income, Inventory, Travel and Subsistence claims, Employees</i>	None
Contract Audits	Contracts Review (Education & IT)*	High	<i>The invitation of quotes or tenders, Evaluation of quotes or tenders received, Award and approval of contracts, Use of CP20 Waivers</i>	None
Planning & City Regeneration	Planning - AONB	High	<i>Expenditure, Purchase Cards, Grants, Mileage Claims</i>	None
Contract Audits	Acceptance of Tenders*	High	<i>Tender/Contract Register, Receipt of Tenders, Opening of Tenders, Tender Evaluation Process, Notification of Successful &amp; Unsuccessful Tenderers, Maintaining Records of Tenders &amp; Contracts</i>	None
Social Services Directorate Services	Client Property & Finance*	High	<i>Safe Contents, Payments to Clients, Transactions on Behalf of Clients, Income Received on Behalf of Clients, New Cases, Pending Referrals, Collection of Fees, Annual Accounts &amp; Monthly Reconciliations, Off Listed Cases, Loans to Clients, Cash Encountered at Properties, Cash Card Accounts, Transitional Placement Agreements, Bank Reconciliations</i>	None
Housing & Public Health	Estate Caretakers	High	<i>Expenditure, P-Cards, Inventory, Employee Records, Vehicle Records</i>	None
Fundamental Audits	Housing & Council Tax Benefit 2019/20*	High	<i>System Parameters, Verification of claims, Assessment of claims, Payment Processes, Extended &amp;, Discretionary Housing Payments, Interventions, Recovery of Overpayments, Write-Offs</i>	None
Housing & Public Health	Rent & Arrears Team	High	<i>Procedure Manuals, Access Levels / Division of Duties, Recovery of Current and Former Tenant Arrears, Recovery of Non Housing Revenue Account Arrears, Arrears Management Data, Former Tenant Accounts in Credit, Bankruptcies, Rent Refunds</i>	None
Cross Cutting Reviews	Corporate Governance Review*	High	<i>Council's Procedure Rules, Scheme of Delegation, Senior Management Meetings, Business (Service) Plans, Senior Management Assurance Statements, Risk Management, Scrutiny, Decision Making at Committees, Audit Committee, Internal Audit</i>	None

## MONITORING REPORT Q1 2020/21 - SUMMARY OF SCOPE OF AUDITS FINALISED

Achievement & Partnership Service	Challenge Advisors	Substantial	The Structure and Operation of the Primary and Secondary Phase Teams, Expenditure - including School Debits, Purchase Card Expenditure, Administration of Grants Received, Travel and Subsistence Claims	Timesheets are submitted by Headteachers, a variety of forms were in use and completion was inconsistent (repeated recommendaiton). The Primary Challenge Adviser Team is in receipt of three grants from The National Academy for Educational Leadership Wales. No NGA forms had been completed for the grants and the acceptances had been signed by Challenge Advisers rather than authorised Accountancy staff.
Fundamental Audits	NNDR 2019/20*	Substantial	Billing, Rollover and year end reconciliations, System access and data back-ups, Input of Valuation Office Agency schedules, Exempt Properties and Empty Property Relief, Income collection, Refunds and Transfers, Recovery of arrears, Write-offs	Recovery & Enforcement - NNDR arrears reports should be produced and reviewed every month by the Senior Rating Officer. However, it was found that there were months where a report was not present. Also, for some months a report was present but did not record any evidence of accounts being reviewed. Additional low risk recommendations.

## MONITORING REPORT Q1 2020/21 - SUMMARY OF SCOPE OF AUDITS FINALISED

Child & Family Services	Leaving Care Act	Substantial	Accommodation Payments, Start-Up Grants, Maintenance Payments, Discretionary Payments, Payments to Barnardo's	Sample testing of discretionary payments made to care leavers revealed that in 9 out of 15 tested, there was no record of the payment on the PARIS system. Five of the payments were not accompanied by a Statement of Financial Affairs Form as required. One form reviewed had not been appropriately authorised. Other low risk recommendations.
Legal, Democratic Services & Business Intel.	Debt Recovery Process - Legal*	Substantial	Reconciliation of cases between Legal and other Services, Legal processes, Progress on open cases, Social Care Debt recovery, Monitoring of performance	Sample testing of 20 open cases on the Legal System - one case was noted as not being updated since April 2012, notes indicated Legal had been advised the debtor had passed away but no record was recorded. Another case was noted on Oracle as being referred back to Legal in October 2013 but this had not been recorded on the legal system and no evidence of the referral could be located. Additional low risk recommendations.

## MONITORING REPORT Q1 2020/21 - SUMMARY OF SCOPE OF AUDITS FINALISED

Contract Audits	Contract Register*	Substantial	<i>Inclusion of Contracts within the Register, Accuracy of the Contracts within the Register</i>	<i>Sample testing of payments in excess of £10k was undertaken to determine whether CPR's had been followed and a contract was in place. One instance was noted where no contract was in existence and CPR's had not been followed (£25k). A further instance was noted where the contract had expired (£153k).</i>
Fundamental Audits	Accounts Receivable 2019/20*	Moderate	<i>Financial regulations and procedure notes, User access, Creation of invoices, Collection of income, Recovery of arrears, System reconciliations, Invoice cancellations, Write-offs, Refunds, Disaster Recovery and Business Continuity, System back-ups, Performance monitoring</i>	<i>See details in the body of the Q1 Monitoring Report.</i>

<b>Audit Title</b>	<b>Risk Rating</b>	<b>Status as at 30/06/2020</b>	<b>Corporate Priority</b>	<b>Days</b>
<b>Level 1 – Cross Cutting Reviews – Council Governance &amp; Control</b>				
Partnerships	Med/High	Allocated	Cross Cutting	15
Corporate Governance	Med/High	Planned	Cross Cutting	15
Whistleblowing	Med	Allocated	Cross Cutting	10
Workforce Planning	New	Planned	Cross Cutting	10
Local Government and Elections (Wales) Bill	New	Allocated	Cross Cutting	10
FOI / SAR/ EIR Review	New	Planned	Cross Cutting	15
Procurement Thematic Review	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>				
Treasury Management	Med	In Progress	Section 151 Assurance	18
Accounts Payable	Med	Planned	Section 151 Assurance	35
Cash	Med/High	Allocated	Section 151 Assurance	30
Accounts Receivable	High	Planned	Section 151 Assurance	35
Council tax	Med/High	In Progress	Section 151 Assurance	30
Main Accounting System	Med	In Progress	Section 151 Assurance	20
NNDR	Med	Planned	Section 151 Assurance	20
<b>Level 3 – Service Level Audits – Other Assurance</b>				
<b>Education Planning &amp; Resources</b>				
Capital Planning & Delivery Unit	Med	In Progress	Education	10
Casllwchwr Primary	Med	Planned	Education	3
YGG Gellionnen	Med	Planned	Education	3
Birchgrove Primary	Med	Planned	Education	3
Gendros Primary	Med	Planned	Education	3
Llangyfelach Primary	Med	Planned	Education	3
Brynmill Primary	Med	Planned	Education	3
Clase Primary	Med/High	Planned	Education	3
Plasmarl Primary	Med	Planned	Education	3
Parkland Primary	Med	Planned	Education	3

Craigyfelen Primary	Med	Planned	Education	3
Gorseinon Primary	Med/High	Planned	Education	3
Penllergaer Primary	Med	Planned	Education	3
YGG Tan-y-Lan	Med	Planned	Education	3
Glais Primary	Med	Planned	Education	3
Craigcefnparc Primary	Med	Planned	Education	3
Ynystawe Primary	Med	Planned	Education	3
St.Illtyd's RC Primary	Med	Planned	Education	3
Pentre'r Graig Primary	Med	Planned	Education	3
Llanrhydian Primary	Med	Planned	Education	3
Oystermouth Primary	Med	In Progress	Education	3
Tre Uchaf Primary	Med/High	Planned	Education	3
Whitestone Primary	Med	Planned	Education	3
Clydach Primary	Med	Planned	Education	3
Blaenymaes Primary	Med	Planned	Education	3
Ysgol Cymraeg y Cwm	Med	Planned	Education	3
Pontybrenin Primary	Med	Planned	Education	3
YGG Tirdeunaw	Med	In Progress	Education	3
Cwmrhydyceirw Primary	Med	Planned	Education	3
Ysgol Crug Glas	Med	Planned	Education	4
Pentrehafod Comprehensive	Med	Planned	Education	10
Bishopston Comprehensive	Med	Planned	Education	10
Pontarddulais Comprehensive	Med	Planned	Education	10
Ysgol Gyfun Bryn Tawe	Med	Planned	Education	10
<b>Achievement &amp; Partnership Service</b>				
Challenge Advisors	Med	Final Issued	Education	10
Swansea Music Unit	Med/High	In Progress	Education	10
<b>Vulnerable Learner Service</b>				
Additional Learning Needs Unit	Med	Allocated	Education, Safeguarding & Poverty	25
Elective Education Provision	New	Planned	Education, Safeguarding & Poverty	10
Behavioural Support Unit	Med/Low	Allocated	Education, Safeguarding & Poverty	20



Education Grants & Other				
Additional Support for Disadvantaged Learners (G)	n/a	Planned	Education, Safeguarding & Poverty	5
Regional Consortia School Improvement (G)	n/a	Planned	Education, Safeguarding & Poverty	15
Pupil Deprivation (G)	n/a	Planned	Education, Safeguarding & Poverty	10
Schools Annual Report	n/a	In Progress	Education, Safeguarding & Poverty	3
Child & Family Services				
Independent Agency Payments	High	Allocated	Safeguarding	10
Youth Offending Service	Med/High	Planned	Safeguarding	10
Leaving Care Act	Med	Final Issued	Safeguarding	10
Nant-y-Felin Children's Home	Med	Planned	Safeguarding	10
Adoption Allowances	Med	Allocated	Safeguarding	10
Residential & Outdoor Centres	Med	Allocated	Safeguarding	10
Adult Services				
Home Care	Med/High	Allocated	Safeguarding	10
Integrated Community Equipment Service & Suresprung	High	Allocated	Safeguarding	10
Suresprung Supported Employees Claim Process (G)	n/a	Planned	Safeguarding	5
Victoria Park Kiosk	Med/Low	In Progress	Safeguarding	5
CREST	Med	Allocated	Safeguarding	10
Day & Residential Establishments – Questionnaires	High	In Progress	Safeguarding	25
Commissioning				
Partnerships, Performance & Commissioning	Med/High	Planned	Poverty	15
Supporting People Team	Med	In Progress	Poverty	5
Supporting People Team–Regional Coordinator Grant (G)	n/a	In Progress	Poverty	3
Supporting People Team-Outcomes Grant (G)	n/a	In Progress	Poverty	5
Supporting People Grant (G)	n/a	Planned	Poverty	10
Tackling Poverty				
Children & Communities Grant (G)	New	Planned	Poverty	10
Building Services				
Heol y Gors – Stores, Admin & Finance, Oracle T&L	Med/High	Planned	Economy & Infrastructure, Safeguarding	20
Heol y Gors – Estimating	Med	Allocated	Economy & Infrastructure, Safeguarding	15

Day to Day Repairs / Maintenance Section	Med	Allocated	Economy & Infrastructure, Safeguarding	20
<b>Property Services</b>				
Facilities Management	Med/Low	Planned	Economy & Infrastructure	5
<b>Waste Management &amp; Parks</b>				
Waste Enforcement	Med	In Progress	Economy & Infrastructure, Resource & Biodiversity	10
Central Operations – Playgrounds	Med	In Progress	Economy & Infrastructure, Resource & Biodiversity	10
Parks Central Operations – Tree Services Unit	Low	In Progress	Economy & Infrastructure, Resource & Biodiversity	5
Knotweed Service	New	Planned	Economy & Infrastructure, Resource & Biodiversity	5
<b>Highways &amp; Transportation</b>				
Home to School Transport	Med	In Progress	Economy & Infrastructure	15
Concessionary Bus Fares	Med	In Progress	Economy & Infrastructure	5
Swansea Marina	Med	Final Issued	Economy & Infrastructure	15
Highways Trading Account	Med	In Progress	Economy & Infrastructure	7
Live Kilometre Support Grant (G)	n/a	Allocated	Economy & Infrastructure	5
<b>Housing &amp; Public Health</b>				
Blaenymaes District Housing Office	Med	In Progress	Poverty, Safeguarding	15
Townhill District Housing Office	Med	Allocated	Poverty, Safeguarding	15
Voids Team / HPU	Med	Planned	Poverty, Safeguarding	15
Rent & Arrears Team	Med	Final Issued	Poverty, Safeguarding	18
Sheltered Housing Service	Med/Low	Final Issued	Poverty, Safeguarding	10
Public Protection – Administration Division	Low	Planned	Poverty, Safeguarding	15
Public Protection - Taxi Licencing Division	Med/Low	Allocated	Poverty, Safeguarding	10
Public Protection – Pest & Animal Control	Med/Low	Planned	Poverty, Safeguarding	5
Public Protection – Housing Division	New	Planned	Poverty, Safeguarding	5
Estate Caretakers	New	Final Issued	Poverty, Safeguarding	10
<b>Cultural Services</b>				
Spot Checks & Land Train	Med	Planned	Economy & Infrastructure	5
Grand Theatre	Med/High	Planned	Economy & Infrastructure	25
Glyn Vivian Art Gallery	Med	In Progress	Economy & Infrastructure	15
Swansea Museum	Med/Low	Planned	Economy & Infrastructure	10
Branch Libraries	Med	In Progress	Economy & Infrastructure	15
Brangwyn Hall	Med	Planned	Economy & Infrastructure	15

<b>Planning &amp; City Regeneration</b>				
Development Projects & Joint Ventures	Med	Planned	Economy & Infrastructure, Resources & Biodiversity	10
Swansea Mobility Hire	Med	In Progress	Economy & Infrastructure, Resources & Biodiversity	10
Rights of Way	Med/Low	Allocated	Economy & Infrastructure, Resources & Biodiversity	10
Planning & Enforcement	Med/High	Allocated	Economy & Infrastructure, Resources & Biodiversity	10
Planning – AONB	Med	Final Issued	Economy & Infrastructure, Resources & Biodiversity	10
Strategic Planning Team	New	Planned	Economy & Infrastructure, Resources & Biodiversity	10
<b>Communications &amp; Marketing</b>				
Corporate Management Team Support	Med	Final Issued	Transformation & Council Development	5
Risk Management	Med/High	Allocated	Transformation & Council Development	10
Risk Management System	New	In Progress	Transformation & Council Development	5
<b>Financial Services &amp; Service Centre</b>				
Cashiers Office	Med/High	Planned	Section 151 Assurance	10
Write-Off Requests	n/a	Final Issued	Section 151 Assurance	5
Cashiers Write-off's	n/a	Planned	Section 151 Assurance	5
Car Loans	Med	In Progress	Section 151 Assurance	5
Trusts & Charities	Med/High	Planned	Section 151 Assurance	5
Direct Payments – Adult & Child and Family	Med	In Progress	Section 151 Assurance, Safeguarding	15
Learning Disability Recharges	Med	In Progress	Section 151 Assurance, Safeguarding	10
Officers Expenses	New	In Progress	Section 151 Assurance	10
Purchase Card Transactions Monthly Review	Med	In Progress	Section 151 Assurance	10
PCI Data Security Standard	High	Planned	Section 151 Assurance	5
Passport to Leisure	Low	Allocated	Section 151 Assurance	10
<b>Legal, Democratic Services &amp; Business Intelligence</b>				
Councillors Expenses & Allowances	Med/Low	In Progress	Monitoring Officer Assurance	10
Councillors Code of Conduct	Med	In Progress	Monitoring Officer Assurance	10
Scrutiny	Med	Allocated	Monitoring Officer Assurance	15
<b>Commercial Services</b>				
Supplier Contracts Review	High	Allocated	Section 151 Assurance	10

Contracts Review – Education	New	Allocated	Section 151 Assurance	10
Retrospective Orders on Oracle Review	New	In Progress	Section 151 Assurance	10
<b>Chief Transformation Officer Audits</b>				
Contact Centre	Med	Planned	Transformation & Council Development	5
HR Policies	Low	Allocated	Transformation & Council Development	10
Corporate Learning & Development Team	New	Planned	Transformation & Council Development	5
Oracle Cloud	New	Planned	Transformation & Council Development	10
Management of Absence	New	Allocated	Transformation & Council Development	10
<b>Contract Audits</b>				
Highways & Transportation – Business Case, Tendering & Evaluation	Med/High	In Progress	Transformation & Council Development	20
CBS Tendering	Med/High	Allocated	Transformation & Council Development	10
Housing – Systems Overview	Med	Allocated	Transformation & Council Development	10
Commissioning – Tendering, Letting & Monitoring	High	Allocated	Transformation & Council Development	15
<b>Computer Audits</b>				
File Controls	Med/High	Planned	Transformation & Council Development	5
ICT Data Storage	Med/High	Planned	Transformation & Council Development	5
Internet Controls for Clients – Social Services	Med	Planned	Transformation & Council Development	5
Procurement of IT	Med/High	Allocated	Transformation & Council Development	10
Procurement of Telephones	Med	Allocated	Transformation & Council Development	5
Use of Idea - Data Matching NFI	n/a	Planned	Section 151 Assurance	5
<b>Projects &amp; Special Investigations</b>				
Unpresented Cheques	n/a	In Progress	Section 151 Assurance	5
NFI	n/a	Planned	Section 151 Assurance	10
Galileo Management System	n/a	In Progress	Section 151 Assurance	10
Annual Plan & Annual Report	n/a	Planned	Section 151 Assurance	5
Annual Consultation Exercise	n/a	Planned	Section 151 Assurance	10
Health & Safety Group	n/a	Planned	Section 151 Assurance	3
Recommendation Tracker Exercise	n/a	Planned	Section 151 Assurance	5
Follow-ups	n/a	In Progress	Section 151 Assurance	20

Miscellaneous Audits				
Swansea Bay Port Health Authority	Med	Allocated	Section 151 Assurance	10
Western Bay Social Services Training Team	New	Planned	Section 151 Assurance	5
Brexit	New	Planned	Section 151 Assurance	5
City Deal Review Outcomes - Follow-up	New	In Progress	Section 151 Assurance	5
Swansea Central Phase 1 Programme	New	Planned	Transformation & Council Development	5
Sustainable Swansea	New	Allocated	Transformation & Council Development	10

### **Corporate Priorities**

**Safeguarding** – Safeguarding People from Harm (411)

**Education** – Improving Education and Skills (246)

**Economy & Infrastructure** – Transforming our Economy and Infrastructure (282)

**Poverty** – Tackling Poverty (254)

**Resources & Biodiversity** – Maintaining and Enhancing Swansea’s Natural Resources and Biodiversity (90)

**Transformation & Council Development** – Transformation and Future Council Development (160)

**Cross Cutting Reviews** (100)

**Section 151 & Monitoring Officer Assurance** (451)

# Agenda Item 6



## Report of the Chief Auditor

Audit Committee – 21 July 2020

### Internal Audit Recommendation Follow-Up Report Q1 2020/21

<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 Q1 2020/21, to allow the Audit Committee to monitor the implementation of recommendations made by Internal Audit.
<b>Recommendation:</b>	That the Audit Committee Members note the information contained in this report.
<b>Policy Framework:</b>	None
<b>Consultation:</b>	Legal, Finance and Access to Services
<b>Report Author:</b>	Simon Cockings
<b>Finance Officer:</b>	Simon Cockings
<b>Legal Officer:</b>	Debbie Smith
<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.

## RECOMMENDATION TRACKING REPORT Q1 2020/21

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				
St. Thomas Primary	27/01/20	03/06/20	Substantial Assurance	0	0	1	1	4	4	3	3	8	8	0	
Car Parks - G4S Income Review	28/02/20	03/06/20	Substantial Assurance	0	0	1	1	1	1	3	3	5	5	0	
Building Services - Control of Contracts	23/01/20	04/06/20	High Assurance	0	0	0	0	1	1	0	0	1	1	0	
Gorseinon DHO	05/12/19	04/06/20	High Assurance	0	0	0	0	5	5	5	5	10	10	0	
Risk Management (Place Directorate)	07/11/19	04/06/20	Substantial Assurance	0	0	1	1	2	2	1	1	4	4	0	
Cultural Services - Review of Contracts	24/02/20	04/06/20	Substantial Assurance	0	0	2	2	0	0	0	0	2	2	0	
Grand Theatre & Glyn Vrhon Vegetarian Catering Review	24/02/20	04/06/20	Substantial Assurance	0	0	2	2	0	0	0	0	2	2	0	
Pollution Control Division	20/05/20	04/06/20	Substantial Assurance	0	0	2	2	7	7	2	2	11	11	0	
Grants Receivable by CCS	17/09/19	05/06/20	Substantial Assurance	0	0	1	1	4	4	3	3	8	8	0	
Discretionary Payments	07/11/19	05/06/20	Substantial Assurance	0	0	1	1	16	16	6	6	23	23	0	
Hafod Primary	19/12/19	05/06/20	Substantial Assurance	0	0	2	2	5	5	3	3	10	10	0	
St. Joseph's Cathedral Primary	21/10/19	08/06/20	Substantial Assurance	0	0	0	0	11	11	1	1	12	12	0	
Swansea City Bus Station	14/05/19	08/06/20	Substantial Assurance	0	0	1	1	5	5	2	2	8	8	0	
Tourism & Marketing	02/10/20	09/06/20	Substantial Assurance	0	0	4	4	2	2	1	1	7	7	0	
Sea View Community Primary	13/01/20	09/06/20	Substantial Assurance	0	0	1	1	2	2	3	3	6	6	0	
Road Safety incl. School Crossing Patrols	02/12/2020	09/06/20	High Assurance	0	0	0	0	3	2	2	2	5	4	1	Rec relates to the completion of an Annual Inventory Certificate - unable to complete at year end due to Covid-19.

## RECOMMENDATION TRACKING REPORT Q1 2020/21

Ysgol Gyfun Gwyr Comprehensive School	18/12/19	09/06/20	Substantial Assurance	0	0	4	4	4	3	4	4	12	11	1	Rec relates to the update of the school's inventory records. Unable to complete in full before year end due to school closure as a result of Covid-19.
Libraries - Admin	15/07/20	09/06/20	Substantial Assurance	0	0	2	2	6	6	1	1	9	9	0	
Community Safety	14/08/19	12/06/20	High Assurance	0	0	0	0	2	2	4	4	6	6	0	
Town Centre DHO	07/01/20	15/06/20	High Assurance	0	0	0	0	4	4	3	3	7	7	0	
Furnished Tenancy Scheme	19/09/29	16/06/20	Substantial Assurance	0	0	1	1	9	9	3	3	13	13	0	
Grange Primary	11/12/19	18/06/20	Substantial Assurance	0	0	1	1	2	2	1	1	4	4	0	
Emergency Duty Team	11/09/19	22/06/20	Substantial Assurance	0	0	10	10	1	1	0	0	11	11	0	
Fairer Charging (Now Non-Residential Care)	23/10/19	23/06/20	High Assurance	0	0	0	0	2	2	0	0	2	2	0	
Penyrheol Primary	20/09/19	23/06/20	Substantial Assurance	0	0	1	1	6	6	2	2	9	9	0	
Pentrechwyth Primary	18/12/19	29/06/20	High Assurance	0	0	0	0	8	6	2	2	10	8	2	Please see Appendix 2 for details.
												205	201	4	<b>98.0%</b>

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

**Key**

**HR** - High Risk. **MR** - Medium Risk. **LR** - Low Risk. **GP** - Good Practice.

**A** - Accepted. **I** - Implemented

## RECOMMENDATION TRACKING REPORT Q1 2020/21 - REC'S NOT IMPLEMENTED

Audit Title	Date Final Issued	Date of Follow up Completed	Assurance Rating	Recommendations Not Implemented				
				Report Ref	Risk Rating	Agreed Imp. Date	Recommendation	Reason / Comments
Road Safety incl. School Crossing Patrols	02/12/2020	09/06/20	High Assurance	2.5.2	LR	Nov-19	It should be ensured that Accounting Instruction No.9 is adhered to. (An Inventory Certificate should be completed on an annual basis).	Inventory certificates are usually completed at the end of the financial year. Comments from the Road Safety Officer: At this moment in time due to Covid 19, I am unable to give a date when the said recommendation will be actioned, as staff are currently working from home and have been since March 18th. When details emerge from senior management regarding returning back to the office, I will then be in a position to provide a further update.
Ysgol Gyfun Gwyr Comprehensive School	18/12/19	09/06/20	Substantial Assurance	2.9.1 & 2.9.3	LR	Mar-20	Appropriate inventories should be maintained in accordance with Accounting Instruction No. 9. It should be ensured that: i) Full descriptions are recorded including make, model & serial number. ii) Items should be added to the inventory upon receipt.	Comments from the Headteacher: I can confirm that we have indeed actioned all the recommendations. However, the work on the inventories is a work in progress and although we have not had a great deal of time to work on these before school closure due to the Coronavirus I hope we will have completed this work before the end of the summer term.
Pentrechwyth Primary	18/12/19	29/06/20	High Assurance	2.1.2	LR	Jan-20	The extent of delegation of powers to the Headteacher should comply with the amount set out in the Accounting Instructions for Schools.	Comments from the Headteacher: The school agreed to revisit this for inclusion at the next Full Governing Body meeting, which was scheduled to take place at the end of March 2020. However, the school went in to lock down prior to the GB date that had been scheduled and has not met as a GB since. All communication during lock down has been done via e-mail.
				2.7.1	LR	Jan-20	Appropriate inventories should be maintained in accordance with Accounting Instruction No. 9. It should be ensured that items recorded in Inventory Books are physically verified periodically and at least once a year. To ensure that an adequate division of duties exists, it is desirable that the officer who carries out the inventory check is not involved in the day to day maintenance of the Inventory.	This has not yet been able to be actioned for the following reasons: i) 3rd February – ESTYN Inspection – 3 weeks prior to this all staff were involved in preparation work for their visit. ii) End of financial year was brought forward due to school closure on 20th March 2020. iii) Since 20th March, staff have followed a strict Risk Assessment in terms of the frequency they are to come in to school and have had to be on site with a very limited number of staff and pupils in at any one time. As soon as staff return to work and school returns to normal, staff will be released to carry out a review of the Inventory and it will be completed with the correct division of responsibilities.

# Agenda Item 7



## Report of the Head of Communications & Marketing

Audit Committee – 21 July 2020

### COVID-19 Recovery of Risk Management

**Purpose:** The report presents the plan for the recovery of risk management monitoring and reporting.

**Report Author:** Richard Rowlands

**Finance Officer:** Paul Roach

**Legal Officer:** Debbie Smith

**Access to Services Officer:** Rhian Millar

#### For Information

#### 1. Introduction

- 1.1 Corporate risk management, monitoring and reporting was suspended in March whilst officers were otherwise engaged or impacted following the lockdown in response to the COVID-19 pandemic.
- 1.2 Although the pandemic is still in progress, the UK and Welsh Governments are seeking to ease the lockdown restrictions and the Council is reviewing how it can recover and return to normal business.
- 1.3 This report offers a timeline for the recovery of risk management, monitoring and reporting.

#### 2. COVID-19 Suspension of Risk Monitoring and Reporting

- 2.1 Prior to the lockdown, officers responsible for managing risks had been asked to review and update the risks transferred from the old to the new risk register application by 31<sup>st</sup> March 2020, to ensure that risks are reviewed each month and to work to improve the quality of risk information and controls.

- 2.2 Risk monitoring and reporting was suspended before the end of March as a result of the COVID-19 pandemic and whilst responsible officers (for managing risks) were otherwise engaged or impacted by the lockdown; although the risk register remained open where officers retained capacity.
- 2.3 Work on developing the reporting functionality of the new Risk Register did however commence within available capacity on 1<sup>st</sup> April during the lockdown. The aim is to develop a small number of generic reports that will assist with the management of risk and help provide assurance that risks are being managed properly by responsible officers.

### **3. New and Residual Risks and Recovery**

- 3.1 COVID-19 has changed the existing risk landscape, which needs to be captured, managed and overseen; all residual risks will need to be reviewed for the impact of COVID-19 and so have not been included in this report whilst this work is in progress.
- 3.2 Following a report to CMT in June 2020 on the recovery of Risk Management following COVID-19, all officers with responsibility for managing risks were asked to identify any new risks and review and update their residual risks and control measures in the Risk Register by 31st July 2020 for the impact and ongoing uncertainty of COVID-19 and in line with previous requests following the transfer of risks from the old to the new Risk Register; a progress report will be reviewed at CMT in August and the outcome will be reported to Audit Committee.
- 3.3 Responsible Officers will continue reviewing and improving their risks during August and beyond, so that risk monitoring reports can recommence their normal cycle starting in September. In the meantime, work to develop the reporting functionality of the risk register will continue in line with ICT priorities and availability.

### **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 direct equality implications with this report.

**5. Legal Implications**

5.1 There are no legal implications.

**6. Financial Implications**

6.1 There are no financial implications.

**Background papers:** None.

**Appendices:** None.

# Agenda Item 8



## Report of the Head of Democratic Services

Audit Committee – 21 July 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 2018/19 and 2019/20 Municipal years are attached in Appendix 1 and 2. Responses provided in respect of issues raised at previous meetings are attached at Appendix 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)

<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>
<b>30/06/20</b>	116	<b>Employment of Agency Staff</b>		
		The Strategic Human Resources and Organisational Development Manager provides details of sickness / absence levels within the service areas that hired Agency Workers.	Adrian Chard	<b>Ongoing</b>
		The Committee is kept updated regarding the review of the current Agency Worker policy.	Adrian Chard	<b>Ongoing</b>
<b>30/06/20</b>	113	<b>Audit Committee Annual Report 2019/2020</b>		
		Report to be presented to Council for approval.	Huw Evans / Jeremy Parkhouse / Chair	<b>Ongoing</b> Report to be added to Forward Plan / presented to Council.
		The action be added to the Audit Committee Tracker	Jeremy Parkhouse	<b>Completed</b>
<b>30/06/20</b>	112	<b>Appointment of Additional Lay Member to Audit Committee</b>		
		The Committee recommends to Council that an additional Lay Member be appointed to the Audit Committee	Adam Hill	<b>Ongoing</b> Report to be added to Forward Plan.
		The action be added to the Audit Committee Tracker.	Jeremy Parkhouse	<b>Completed</b>
<b>30/06/20</b>	111	<b>Review of Partnerships in the City and County of Swansea</b>		
		An update report in respect of progress made on the Welsh Government recommendations be added to the Audit Committee Tracker and provided in November / December 2020.	Adam Hill / Jeremy Parkhouse	<b>Ongoing</b> Update report to be provided.
		An update report regarding Scrutiny of ERW be added to the Audit Committee Tracker.		<b>Ongoing</b> Update report to be provided.
		An update report regarding the development of a new Local Transport Plan be added to the Audit Committee Tracker.	Martin Nicholls / Stuart Davies	<b>Ongoing</b> Update report to be provided.
<b>30/06/20</b>	110	<b>Presentation - Update on Internal Control Environment (Including Risk Management)</b>		
		The presentation be circulated to the Committee.	Jeremy Parkhouse	<b>Completed</b> Report circulated.

01/06/20	95	<b>Internal Audit Strategy &amp; Annual Plan 2020/21</b>		
		Quarterly updates be provided throughout 2020-21.	Simon Cockings	<b>Completed</b> Added to Plan.
26/05/20		<b>Meeting Adjourned to 01/06/20</b>		
14/04/20		<b>Meeting cancelled due to the Coronavirus Pandemic</b>		
10/03/20	88	<b>Employment of Agency Staff - Audit Report 2019/20</b>		
		The Strategic HR & OD Manager provides up to date agency worker numbers, levels of non-compliance and cost to the Authority and this detail be reported to the next meeting in the Audit Committee Tracker report.	Adrian Chard	<b>Completed</b> Report included on 30/06/20 agenda
10/03/20	87	<b>Building Services Plant - Findings Update - Internal Audit Report 2019/20</b>		
		The service area further investigates the introduction of a bar reader in respect of stock management.	Nigel Williams / Rob Myerscough	<b>Ongoing</b> Response received 27/04/20 – The Service have been waiting a few years for a bar coding system, it is with IT at present but other large projects such as Oracle / Fusion have been given priority.
10/03/20	86	<b>Fleet Maintenance Audit Report 2019/20</b>		
		The Officers liaise with the Chief Auditor regarding the retrospective nature of checking.	Mark Barrow / Simon Cockings	<b>Ongoing</b>
11/02/20	78	<b>Overview of the Overall Status of Risk - Quarter 3 2019/20.</b>		
		1) the Strategic Delivery & Performance Manager considers the exception reporting format for future meetings;	Richard Rowlands	<b>Ongoing</b> Paused at present whilst risk reporting is currently on hold during the COVID-19 pandemic. Risk reporting will resume at some future point in line with the Council's COVID-19 recovery plans.  Audit Committee concerns relayed to Chief Executive.
		2) the reasons for the closure of a risk be reported to the next ordinary Audit Committee meeting.	Richard Rowlands	<b>Ongoing</b> Paused at present whilst risk reporting is currently on hold during the COVID-19 pandemic. Risk reporting will resume at some future

				point in line with the Council's COVID-19 recovery plans.  Audit Committee concerns relayed to Chief Executive.
11/02/20	77	<b>Governance Group Update Report</b>		
		The Governance Group will ensure that a six-month update report is provided to the Audit Committee next year.	Adam Hill	<b>Ongoing</b>
11/02/20	73	<b>Scrutiny Work Programme 2019-20</b>		
		The Chair seeks assurance regarding future management of staff and staff resource being an issue throughout the Council;	Chair	<b>Ongoing</b> Chair has met with Chief Executive to discuss Audit Committee concerns over workforce matters.
		Future monitoring of external audit recommendations be discussed further.	CMT	<b>Ongoing</b> Email sent to CMT 02/03/20.
	68	<b>Internal Audit Recommendation Follow-Up Report - Quarter 2 2019/20</b> The need for more robust tracking of External Audit recommendations be referred to the Corporate Management Team for discussion. Combined with action highlighted at Minute No.32 from 16/09/19.	CMT	<b>Ongoing</b> Email sent to CMT 02/03/20.

**Appendix 2**

<b>AUDIT COMMITTEE ACTION TRACKER 2018/19</b>				
<b>Date of Meeting</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Nominated Officer</b>	<b>Status</b>
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.	Richard Rowlands	<b>Ongoing</b> 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.

# Agenda Item 9



## Report of the Head of Democratic Services

Audit Committee – 21 July 2020

### Audit Committee – Workplan 2019/21

<b>Purpose:</b>	This report details the Audit Committee Workplan to May 2021.
<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 2021 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 the Political Group Leaders.

## **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 2019/21

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

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

**Audit Committee Plan**  
**2019 – 2021**

<b>Terms of Reference</b>	<b>Report Title</b>	<b>Report Summary</b>	<b>Report Author</b>	<b>Date of Meeting</b>
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	21 Jul 2020
Internal Audit	<b>Internal Audit Annual Plan 2020/21 – Quarter 1 Monitoring Report.</b>	This report summarises the audits finalised and work undertaken by the Internal Audit Section in Quarter 1 2020/21.	Simon Cockings	21 Jul 2020
Internal Audit	<b>Internal Audit Recommendation Tracking Report - Quarter 1 2020/21</b>	This report provides committee with the status of the recommendations made in those audits where the follow-up has been undertaken in Q1 20120/21, to allow the Audit Committee to monitor the implementation of recommendations made by Internal Audit.	Simon Cockings	21 Jul 2020
Risk Management & Performance	<b>COVID-19 Recovery of Risk Management.</b>	The report presents the plan for the recovery of risk management monitoring and reporting.	Richard Rowlands	21 Jul 2020
Financial Reporting	<b>Draft Statement of Accounts 2019/20</b>	The report presents the Draft Statement of Accounts for 2019/20 and is presented to the Audit Committee for Information and Review.	Amanda Thomas	8 Sep 2020

## Audit Committee Plan 2019 – 2021

Terms of Reference	Report Title	Report Summary	Report Author	Date of Meeting
Internal Audit	<b>Annual Report of School Audits 2019/20.</b>	This report provides a summary of the school audits undertaken by the Internal Audit Section during 2019/2020 and identifies some common issues found during the audits.	Nick Davies	8 Sep 2020
Internal Audit	<b>Cwm Glas Primary School Audit Report 2019/20.</b>	Update report on progress following a moderate audit report.	Neil Craven-Lashley	8 Sep 2020
Internal Audit	<b>Fraud Function Annual Report 2019/20.</b>	This report provides a summary of the work completed by the Fraud Function of Internal Audit in 2019/20.	Jeff Fish, Jonathon Rogers	8 Sep 2020
Internal Audit	<b>Revenue and Capital Budget Monitoring - 1st Quarter.</b>	To report on financial monitoring of the 20/21 revenue and capital budgets.	Ben Smith	8 Sep 2020
Governance & Assurance	<b>Election of the Chair for the 2020-2021 Municipal Year.</b>	To elect the Chair for the 2020-21 Municipal Year.	Jeremy Parkhouse	20 Oct 2020
Governance & Assurance	<b>Election of the Vice-Chair for the 2020-2021 Municipal Year.</b>	To elect the Vice-Chair for the 2020-2021 Municipal Year.	Jeremy Parkhouse	20 Oct 2020
Financial Reporting	<b>Revenue Financial Outturn 2019/20.</b>	To report the detailed Revenue financial outturn for 2019/20.	Ben Smith	20 Oct 2020
Internal Audit	<b>Internal Audit Annual Plan 2020/21 – Quarter 2 Monitoring Report.</b>	This report summarises the audits finalised and work undertaken by the Internal Audit Section in Quarter 2 2020/21.	Simon Cockings	10 Nov 2020



**Audit Committee Plan**  
2019 – 2021

Terms of Reference	Report Title	Report Summary	Report Author	Date of Meeting
Internal Audit	<b>Internal Audit Recommendation Tracking Report - Quarter 2 2020/21.</b>	This report provides committee with the status of the recommendations made in those audits where the follow-up has been undertaken in Q2 20120/21, to allow the Audit Committee to monitor the implementation of recommendations made by Internal Audit.	Simon Cockings	10 Nov 2020
Financial Reporting	<b>Revenue and Capital Budget Monitoring - 2nd Quarter.</b>	To report on financial monitoring of the 20/21 revenue and capital budgets.ben	Ben Smith	8 Dec 2020
Internal Audit	<b>Internal Audit Annual Plan 2020/21 – Quarter 3 Monitoring Report.</b>	This report summarises the audits finalised and work undertaken by the Internal Audit Section in Quarter 3 2020/21.	Simon Cockings	9 Feb 2021
Internal Audit	<b>Internal Audit Recommendation Tracking Report - Quarter 3 2020/21.</b>	This report provides committee with the status of the recommendations made in those audits where the follow-up has been undertaken in Q3 20120/21, to allow the Audit Committee to monitor the implementation of recommendations made by Internal Audit.	Simon Cockings	9 Feb 2021

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## Audit Committee Plan 2019 – 2021

Terms of Reference	Report Title	Report Summary	Report Author	Date of Meeting
Internal Audit	<b>Draft Internal Audit Annual Plan 2021/22.</b>	This report presents the Draft Internal Audit Annual Plan for 2021/22 to the Audit Committee for consideration prior to the final plan coming to committee in April for approval.	Simon Cockings	9 Mar 2021
Internal Audit	<b>Internal Audit Annual Plan Methodology Report 2021/22.</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 2021/22 being reported to the Committee for approval on 20 April 2021.	Simon Cockings	9 Mar 2021
Financial Reporting	<b>Revenue and Capital Budget Monitoring - 3rd Quarter.</b>	To report on financial monitoring of the 20/21 revenue and capital budgets.	Ben Smith	9 Mar 2021
Internal Audit	<b>Fraud Function Annual Plan 2021/22.</b>	This report sets out the planned areas of activity for the Internal Audit Section's Fraud Function for 2021/22 and is designed to provide a strategic view of the areas that will be subject to examination.	Jeff Fish, Jonathon Rogers	20 Apr 2021

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## Audit Committee Plan 2019 – 2021

Terms of Reference	Report Title	Report Summary	Report Author	Date of Meeting
Internal Audit	<b>Internal Audit Charter 2021/22.</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 the Internal Audit Charter for final approval by Audit Committee following Corporate Management Team approval.	Simon Cockings	20 Apr 2021
Internal Audit	<b>Internal Audit Strategy &amp; Annual Plan 2021/22.</b>	This report presents the Internal Audit Strategy and Annual Plan for 2021/22 to the Audit Committee for approval.	Simon Cockings	20 Apr 2021

### **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**

<b>Key Finding</b>	<b>Proposed Actions</b>	<b>Lead (s)</b>	<b>Target Date</b>	<b>Progress Update</b>
<b>Regularity and Length of Audit Committee meetings</b>	1) 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	Ongoing	1) Chair / Democratic Services to plan the Committee Work Programme.
<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	<b>Ongoing</b>
	2) 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	<b>Ongoing</b>