



City and County of Swansea

## Minutes of the **Governance & Audit Committee**

Remotely via Microsoft Teams

Tuesday, 20 April 2021 at 2.00 pm

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

**Councillor(s)**

C Anderson  
P R Hood-Williams  
S Pritchard

**Councillor(s)**

P M Black  
J W Jones  
T M White

**Councillor(s)**

D W Helliwell  
M B Lewis

**Lay Member**

Julie Davies

**Officer(s)**

Simon Cockings  
Jeff Fish  
Adam Hill  
Jeremy Parkhouse  
Jonathon Rogers  
Ben Smith  
Debbie Smith

Chief Auditor  
Corporate Fraud Team Investigator  
Deputy Chief Executive / Director of Resources  
Democratic Services Officer  
Corporate Fraud Team Investigator  
Chief Finance Officer / Section 151 Officer  
Deputy Chief Legal Officer

**Also Present**

Jason Garcia                      Wales Audit Office

**Apologies for Absence** – Councillors P K Jones, E T Kirchner, A H Stevens and L V Walton.

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**56 Disclosures of Personal and Prejudicial Interests.**

In accordance with the Code of Conduct adopted by the City and County of Swansea, no interests were declared.

**57 Minutes.**

**Resolved** that the Minutes of the previous meeting of the Audit Committee were approved as a correct record.

**58 Audit Wales Report – City & County of Swansea Audit Plan 2020-2021.**

Jason Garcia, Audit Wales (AW) presented the 2021 Audit Plan which provided the proposed audit work, when it would be undertaken, how much it would cost and who would undertake it.

He made specific reference to the impact of COVID 19 outlined in the report, particularly the new methods of working introduced. Exhibit 1 provided the financial statement audit risks, which highlighted the significant risks. Details of other issues, particularly progress on the introduction of the Oracle Cloud based system and performance audit were provided at Exhibit 2. Exhibit 3 provided the Performance Audit Programme 2021-22 and Exhibit 4 set out the summary of grant claim certification work. Details of the Audit fee, Audit team and timetable were highlighted in Exhibits 5, 6 and 7.

The Committee discussed the following: -

- External audit of the City Deal and the arrangements already in place;
- How value for money is measured and the methods used to define the term, particularly the amount of work required which resulting in an area of work not being cost effective.

The Chair thanked Audit Wales for the manner in which they had worked with the Officers of the Council throughout the COVID 19 Pandemic.

**Resolved** that: -

- 1) The contents of the report be noted;
- 2) Audit Wales circulates additional information regarding definitions of cost effectiveness / value for money.

## **59 Fraud Function Annual Plan 2021/22. (Jeff Fish / Jonathan Rogers)**

Jeff Fish and Jonathan Rogers, Corporate Fraud Team presented a report which set out the planned areas of activity for the Internal Audit Section's Fraud Function for 2021/22.

The report highlighted the Council's obligation to tackle fraud and the principles of tackling fraud. It also outlined the aims of the anti-fraud plan, measuring the values of the fraud function and focussed upon the fraud function resources. Specific references were made to Appendix 3 – Anti-fraud Risk Assessment Checklist 2021/22, Appendix 4 – Anti-fraud Statement 2021/22 and Appendix 4 – Anti-fraud Plan 2021/22.

It was summarised that the aim of the report was to demonstrate the Council's ongoing commitment to tackle fraud, to promote the highest levels of integrity, to minimise the potential for reputational damage and to ensure transparency by 'being seen to be getting its own house in order'.

The Committee discussed the following: -

- there had been no increase in internal fraud as a consequence of changed working patterns;
- the current resources / large work load of the Section;
- the continued importance of the Team acting as a deterrent against fraud;

- investigating sub-letting of Council house stocks;
- the proactive use of data matching information.

The Section 151 Officer stated that he had no immediate concern regarding the resources of the Team. He added that he would act if required but was always aware that the Council had to work within its boundaries. He also recognised that the Team was currently reactive due to its size and he praised the team members for their dedication to the job.

**Resolved** that the Anti-Fraud Plan 2021/22 be approved.

#### **60 Internal Audit Charter 2021/22. (Simon Cockings)**

Simon Cockings, Chief Auditor presented a report which sought to approve the Internal Audit Charter 2021/22. He specifically highlighted the Charter outlined in Appendix 1 of the report, which included the following: -

- Definition of Internal Audit;
- Role and Function of Internal Audit;
- Scope of Internal Audit;
- Independence of Internal Audit;
- Consultancy Role of Internal Audit;
- Fraud, Bribery and Corruption Role of Internal Audit;
- Internal Audit Resources; and
- Quality Assurance and Improvement Programme

The Chief Auditor confirmed that he had no other management responsibility which restricted the independence of the Internal Audit.

The Committee queried the recent legislative changes which would have to be reflected in the amended terms of reference.

**Resolved** that the Internal Audit Charter 2021/22 be approved, subject to the terms of reference being amended to reflect the legislative changes introduced by the Local Government and Elections (Wales) Act 2021.

#### **61 Internal Audit Strategy & Annual Plan 2021/22. (Simon Cockings)**

The Chief Auditor presented a report that sought approval of the Internal Audit Plan and Internal Audit Strategy for 2021/22.

The Internal Audit Strategy was provided at Appendix 1, a summary of the Internal Audit Plan 2021/22 at Appendix 2, the Internal Audit Annual Plan 2021/22 at Appendix 3 and the Assurance Map at Appendix 4.

He added that for 2021/22, the Internal Audit Section comprised of 9.1 full time equivalents plus the Chief Auditor, the same level of resources as 2020/21. This gave a total number of available days of 2,366. It was highlighted that the plan provided sufficient coverage across departments.

A discussion ensued and centred on the following: -

- How internal and external audit operate in respect of the Oracle Cloud / City Deal / Swansea Central projects;
- Senior Officer / Councillor disclosures in relation to interests / gifts.

The Chair reminded the Committee that they were having to place reliance solely on the Chief Auditor's assurance that the Annual Plan was risk based and that the scope would provide sufficient audit coverage to provide assurance.

She added that the Committee should support the approval of the Plan with the caveat that it was solely reliant on the Chief Auditor's compliance with the Internal Auditing Standards. She suggested that she liaises with the Chief Auditor to establish if additional information could be provided on the scope in future.

**Resolved** that: -

- 1) The Internal Audit Strategy and Annual Plan 2021/22 be approved;
- 2) The plan be supported based upon the Chief Auditor's assurance that it was been produced in accordance with the Internal Audit Standards and the scope of individual audits focus on the areas of key risk.

**62 Audit Committee Action Tracker Report. (For Information) (Jeremy Parkhouse)**

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

**63 Audit Committee Work Plan. (For Information) (Jeremy Parkhouse)**

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

The Chair commented that work was ongoing in respect of the 2021/22 Work Plan and an updated version would be reported to the next meeting.

She noted that the Annual Governance Statement report would be added for the May meeting. She read out a statement received from Councillor L V Walton which confirmed that the process for drawing up the Annual Governance Statement had been robust, all 4 directorates had completed their sections on time, which had been inserted into the draft report and the timeline was being adhered to.

The meeting ended at 3.05 pm

**Chair**