

# CITY AND COUNTY OF SWANSEA

## MINUTES OF THE AUDIT COMMITTEE

HELD AT COMMITTEE ROOM 3, CIVIC CENTRE, SWANSEA ON  
THURSDAY, 24 APRIL 2014 AT 5.00 PM

**PRESENT:** Mr A M Thomas (Independent Chair) Presided

| <b>Councillor(s)</b> | <b>Councillor(s)</b> | <b>Councillor(s)</b> |
|----------------------|----------------------|----------------------|
| R A Clay             | L James              | J A Raynor           |
| P Downing            | J W Jones            | R V Smith            |
| R Francis-Davies     | P M Meara            | D W W Thomas         |
| P R Hood-Williams    |                      |                      |

Officers:

M Hawes - Head of Financial Services  
P Beynon - Chief Auditor  
S Heys - Principal Lawyer  
J Tinker - Democratic Services Coordinator

Also Present:

K Williams - Pricewaterhouse Coopers

### 80 **APOLOGIES FOR ABSENCE.**

Apologies for absence were received from Councillor L V Walton.

### 81 **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:-

Councillor J W Jones – personal – Minute No 88 – Coastal Project.

### 82 **MINUTES.**

**RESOLVED** that the Minutes of the meeting of the Audit Committee held on 27 March 2014, be accepted as a correct record.

### 83 **EDUCATION BRIEFING - RESPONSIBILITY FOR IMPLEMENTING AUDIT RECOMMENDATIONS IN SCHOOLS.**

Further to Minute 75 in respect of the responsibility for implementing audit recommendations in schools, Brian Roles Head of Education Planning and Resources attended the Committee to explain this process. Concern was expressed that there was not a robust mechanism for dealing with this. How school budget

plans were received was described and the importance of an effective plan had been stressed to Head teachers.

Questions were asked if reasons regarding whether reasons were given if issues were not addressed and if Education ever state that the level of progress was unacceptable. It was also queried if there was an internal system that identifies if audit reports were submitted to Governing Bodies.

It was requested that a report be produced regarding the framework in place to support specific actions together with a broader approach of how this is developed through the regional framework. Clarity was required regarding governance issues and the implications of this.

**RESOLVED** that:-

- (1) that a draft report regarding this process be circulated to the Committee
- (2) the Head of Education Planning and Resources present a progress report to this Committee in July 2014.

84 **ANNUAL FINANCIAL OUTLINE - CITY & COUNTY OF SWANSEA 2013/14.**

K Williams presented the Annual Financial Audit Outline – City and County of Swansea report.

The report had been prepared to meet the requirements of auditing standards and proper audit practices.

The report detailed and outlined the financial audit work required for the City and County of Swansea Council 2013/14 financial statements. Information was provided regarding the main operational and financial risks faced by the Council that could impact on the audit and the proposed action that would be taken by the auditor.

**RESOLVED** that Annual Financial Audit Outline report for the City and County of Swansea be approved.

85 **ANNUAL FINANCIAL OUTLINE CITY & COUNTY OF SWANSEA PENSION FUND 2013/14.**

K Williams presented the Annual Financial Audit Outline - City and County of Swansea Pension Fund report.

The report had been prepared to meet the requirements of auditing standards and proper audit practices.

The report detailed and outlined the financial audit work required for the City and County of Swansea Council Pension Fund 2013/14 financial statements. Information was provided regarding the main operational and financial risks faced

by the Pension Fund that impact on the audit and the proposed action that would be taken by the auditor.

**RESOLVED** that Annual Financial Audit Outline report for the City and County of Swansea Pension Fund be approved.

86 **INTERNAL AUDIT ANNUAL PLAN 2014/15.**

The Chief Auditor presented the Internal Audit Annual Plan 2014/15 to the Audit Committee for approval.

A summary of the Internal Audit Annual Plan 2014/15 was shown in Appendix 1 and a list of audits planned for 2014/15 was shown in Appendix 2 along with the number of days planned for each audit. It was stated that a number of audits were deferred in 2013/14 due to vacant posts and the time spent on special investigations exceeding the time allowed in the Annual Plan. As a result of this a number of audits due in 2014/15 with had been deferred to 2015/16 and the number of days for these audits were being in excess of just over 500. In addition, a further 200 days have been saved due to audit no longer required as the service or grant had ceased and a number of fundamental audits had been moved from an annual audit to a 2 year cycle. It was stated that progress made in achieving the Plan would be reported to the Audit Committee on a quarterly basis.

**RESOLVED** that the Internal Audit Annual Plan 2014/15 be approved.

87 **AUDIT COMMITTEE PERFORMANCE REVIEW.**

The Chief Auditor presented a report which summarised the issues identified during the recent performance review undertaken by the Audit Committee, using the CIPFA Self-Assessment Checklist. The issues identified included updating the Terms of Reference, the production of an Annual Report, Committee Member Training and Risk Management.

**RESOLVED** that :

- (1) the Committee agreed the issues to be taken forward arising from the performance review
- (2) a further review of performance take place towards the end of the 2014/15 Municipal year.

88 **COASTAL PROJECT.**

The Head of Finance and Delivery submitted a report which provided details of an investigation completed by the Internal Audit Section into the Coastal Project, following a change in the terms and conditions of the grant by the Welsh European Funding Office in August 2013. An update was also provided regarding the current situation with the Project. It was stated that there was no evidence to suggest that

the Authority was at risk in respect of other European Grants. It was envisaged that the project would maintain or exceed employment targets by the end of June.

It was suggested that this matter be deferred to the next meeting for further detailed consideration. Further Discussion should include the management of all regional projects.

**RESOLVED** that this matter be deferred to the next meeting.

89 **AUDIT COMMITTEE WORK PLAN.**

The Audit Committee Work Plan was provided for information.

**RESOLVED** that the contents of the report be noted

90 **RESPONSES TO CHAIR'S LETTER TO DIRECTORS GROUP REGARDING IMPLEMENTATION OF RECOMMENDATIONS.**

The response to the Chair's Letter was submitted for information.

**RESOLVED** that the response be noted.

91 **RESPONSE TO CHAIR'S LETTER TO HEAD OF FINANCIAL SERVICES REGARDING PARTNERSHIPS.**

The response to the Chair's letter was submitted for information.

**RESOLVED** that the response be noted.

The meeting ended at 6.45p.m.

**CHAIR**