

CITY AND COUNTY OF SWANSEA

MINUTES OF THE SPECIAL MEETING OF THE AUDIT COMMITTEE

HELD AT COUNCIL CHAMBER, CIVIC CENTRE, SWANSEA ON
WEDNESDAY, 17 SEPTEMBER 2014 AT 4.00 PM

PRESENT: Mr A M Thomas (Independent Chair) presided.

Councillor(s)	Councillor(s)	Councillor(s)
P Downing	L James	J A Raynor
R Francis-Davies	J W Jones	R V Smith
P R Hood-Williams	P M Meara	L V Walton

Also Present:

K Williams - PricewaterhouseCoopers
D Hanley-Crofts - PricewaterhouseCoopers

Officers:

P Beynon - Chief Auditor
T Davies - Investigations Manager
P Thomas - Principal Benefits Officer
M Hawes - Head of Finance & Delivery
D Smith - Directorate Lawyer
S Woon - Democratic Services Officer

22 **APOLOGIES FOR ABSENCE.**

An apology for absence was received from Councillor R A Clay.

23 **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.

24 **MINUTES.**

RESOLVED that the Minutes of the Meeting of the Audit Committee held on 7 August, 2014, be accepted as a correct record.

An update was provided in relation to Minute No. 16(2) – Wavehill Evaluation Report.

25 **EDUCATION BRIEFING - SCHOOLS DELEGATION**

The Chair referred to a number of issues in Primary Schools arising from internal audits. As a result of concerns expressed by the Audit Committee and following a

meeting with colleagues in Education, the Chief Education Officer was tasked with providing information on progress and accountability.

The Chief Education Officer provided a presentation on the Schools Delegation process. The presentation included details in respect of:

- Resources – Whose Responsibility? and the Role of Governors, Local Authority and Estyn;
- Schools – Education Act 2002;
- Governing Body – 3 Core Strategic Functions;
- Governing Body Compliance with Local Authority Requirements;
- Estyn – 3 Key Questions;
- Outcomes;
- Provision;
- Leadership;
- Process and Context;
- Local Authority Role – How we seek to oversee school arrangements;
- Steps – Poor level of Audit assurance/Significant Overspend/Surplus.

The Chief Education Officer circulated guidance for the inspection of secondary schools from September 2014.

Issues arising from Member discussions included:

- a. The effect of greater responsibility on governing bodies to manage budgets and the subsequent increases in issues being identified by internal audit;
- b. The need to develop medium term financial planning within schools;
- c. The role of business managers in secondary schools and the opportunity to share this role with primary schools in the area;
- d. The procedure for recording gifts given to school staff by parents/suppliers;
- e. The quality of school governor training;
- f. The increasing demands on the governing body;
- g. The identification of early signs that a school is not functioning properly, e.g. failure to collect dinner money in a reasonable manner;
- h. The procedure for monitoring progress in relation to schools who have been identified by internal audit on more than one occasion;
- i. The outputs in schools in Swansea is deemed to be good; and
- j. Timescales involved in identifying difficulties following a change of staff or governing body at a school.

The Chair thanked the Chief Education Officer for his presentation.

RESOLVED that;

- a. The briefing be **NOTED**; and
- b. an update be provided to the Committee in six months.

26 **HOUSING BENEFIT INVESTIGATION TEAM ANNUAL REPORT 2013/14.**

The Investigations Manager presented the Benefits Investigation Team End of Year Report 2013/14.

Members' noted the headline figures, joint working with the DWP investigators, data matching, fraud awareness; staff resources; interviews under caution; overpayments and sanction action; the National Fraud Initiative; a summary of Operation Bugs; sources of fraud referrals; fraud referrals status summary; fraud referrals breakdown of status type; sources of fraud cases investigated/under investigation and a selection of publicity.

Key issues arising from Member discussions included:

- The need to ensure people who are eligible to claim are given every opportunity to claim their entitlements;
- The percentage of reoffenders;
- The difference between the money recovered and the cost involved in the investigation;
- The impact of the Single Fraud Investigation Service in relation to staffing and the specialised work undertaken by the Authority in relation to Council Tax which would not be included in the Service;
- The timescales in relation to the transfer of Council staff to the Single Fraud Investigation Service.

RESOLVED that:

- a. The presentation be **NOTED**; and
- b. The Head of Finance & Delivery provide a report on single person discounts at the meeting on 30 October, 2014.

27 **REPORT OF THE WALES AUDIT OFFICE - AUDIT OF FINANCIAL STATEMENTS 2013/14 PROGRESS REPORT - CITY AND COUNTY OF SWANSEA.**

Representatives of PricewaterhouseCoopers on behalf of the Wales Audit Office presented the Audit of Financial Statements 2013/14 Progress Report and advised that the final version would be available at the next meeting.

A summary was provided in relation to progress with:

- Valuation of Properties;
- Employment Provisions;
- Finalisation of Accounts;
- Uncorrected Mis-statements;
- Change in Council tax regime in the manner in which the Welsh Government deal with this; and
- Significant and Elevated Audit Risks.

Members discussed the purpose and manner in which valuations of properties are calculated.

RESOLVED that:

- a. The report be **NOTED**; and
- b. The final report be submitted to the Committee at the meeting on 2 October, 2014.

28 **REPORT OF THE WALES AUDIT OFFICE - CERTIFICATION OF GRANTS AND RETURNS 2012/13 - CITY AND COUNTY OF SWANSEA.**

Representatives of PricewaterhouseCoopers on behalf of the Wales Audit Office presented the Certification of Grants and Returns 2012/13 report.

The outcome of the work was detailed and it was noted that a small number of anomalies had been adjusted. Recommendations had been made as a result of emerging themes which were common in most local authorities year on year.

Key issues arising from Member discussions included:

- a. Comparisons with other Local Authorities with regard to European grants and the ability to receive information in a timely manner;
- b. Joint working with other Authorities.

RESOLVED that the report be **NOTED**.

28 **AUDIT COMMITTEE WORK PLAN.**

The Audit Committee Work Plan was provided for information.

29 **MEETINGS OF THE AUDIT COMMITTEE FOR THE REMAINDER OF THE 2014/15 MUNICIPAL YEAR.**

RESOLVED that meetings of the Audit Committee would take place at 3.00 p.m. for the remainder of the meetings scheduled for the Municipal Year.

The meeting ended at 6.00 pm

CHAIR