

CITY AND COUNTY OF SWANSEA

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

**HELD AT COMMITTEE ROOM 3A, GUILDHALL, SWANSEA ON
THURSDAY 12 MARCH 2015 AT 3.00 P.M.**

PRESENT: Mr A M Thomas (Independent Chair) presided

Councillor(s):

R A Clay
P Downing
P R Hood-Williams

Councillor(s):

L James
J W Jones
P M Meara

Councillor(s):

D Phillips
L V Walton

Officers:

P Beynon - Chief Auditor
S Heys - Principal Lawyer
J Parkhouse - Democratic Services Officer

ALSO PRESENT:

D Hanley-Crofts - PricewaterhouseCoopers
C Prior - Regional Project Director - Coastal
E Griffiths - Wavehill

75. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors A M Cook, R V Smith and D W W Thomas.

76. **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.

77. **MINUTES**

RESOLVED that the Minutes of the meeting of the Audit Committee held on 12 February 2015 be approved as a correct record.

Matters Arising

Section 106 Agreements

The Chief Auditor confirmed that the Internal Audit Report regarding Section 106 Agreements was currently with the department for consideration. He confirmed that the report would only be altered if the department provided additional evidence to prove any inaccuracies. He also confirmed that the Internal Audit Report would be presented to the Audit Committee in June 2015.

78. **AUDIT COMMITTEE - WRITTEN SUBMISSION TO SCHOOL GOVERNANCE SCRUTINY WORKING GROUP**

The Chief Auditor presented a "for information" report which provided details of a written submission by the Audit Committee to the School Governance Scrutiny Working Group. The written submission was provided at Appendix 1. The Vice-Chair attended the Working Group meeting on behalf of the Committee and provided a verbal update at the meeting. He stated that Members of the Scrutiny Working Group discussed Governor participation in schools and the lack of information being circulated to Governors in general.

The Committee questioned whether Governors were being fully informed regarding issues being discussed within schools in order to allow decisions to be made. It was added that the processes followed at some schools i.e. tabled reports at meetings were inadequate and Governors were being asked to decipher detailed information at meetings. While some schools were very good others were very poor. Governing Bodies were also made up of volunteers, some of whom would not challenge Headteachers. It was also important that Governors know their responsibilities. Members also queried the legality of the agenda papers for Governors' meetings being circulated at the meeting, whether Education Officers were aware of issues within schools and the poor quality of information being submitted by some Headteachers to meetings. The need to improve the situation was also highlighted because some schools had found themselves in special measures. This was important because a large proportion of the Council's budget goes into education.

The Chair asked that the members of the Audit Committee who were also members of the School Governance Scrutiny Working Group to feedback the comments of the Committee regarding school governance.

79. **COASTAL PROJECT - FINAL WAVEHILL EVALUATION REPORT**

E Griffiths, Wavehill, supported by C Prior, Regional Project Director - Coastal presented the Final Evaluation Report of the Coastal Project. It was outlined that the project finished on 31 December 2014, however, much of the data available had been collected in August 2014 which meant the final figures relating to the output results were not complete. Much of the additional information had been finalised since August 2014. Reference was made to the Executive Summary within the report and the final table of outputs. It was stated that most targets were hit and there were small margins for those that failed to reach those standards. It was also explained that the report set out the findings of the Independent Evaluation of the project undertaken by Wavehill, which was commissioned by the Coastal Project Board. The research and analysis for the Evaluation was undertaken alongside the implementation of the project so that the findings could be reported to the Project Board during the delivery period, thereby giving an opportunity to react to the emerging findings. This was the fifth report produced over the course of the Evaluation and this final report superseded all previous reports and draws those findings together with the research undertaken for this final report.

Extensive discussions followed in relation to the content of the report and centred around:

- quantifying the social aspects of the project;
- table of final outcome figures as at 31 December 2014;
- acceptance of final outcome figures by WEFO;
- the lack of tangible results and infrastructure to justify WEFO agreeing to the project and providing a significant grant for the project;
- evaluation of the project and its value for money, particularly the cost per individual;
- the long-term sustainable benefit provided to the economy and individuals;
- cost benefit analysis and judging the softer elements of the project;
- evaluation of the project by WEFO and European financial support provided;
- the benefits enjoyed by the individuals involved in the project;
- the regional approach by local authorities involved in the project;
- the lessons learnt;
- in the opinion of the Regional Project Director, the apparent failure of middle management within Social Services, City and County of Swansea which had a significant effect upon projects;
- low level employability and ability of the people involved in the project and the ability to move people into employment;

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- confusion between the social aspects and economic targets of the project;
- potential clawback from the project and the lack of risk analysis;
- the risk to the City and County of Swansea of being the lead authority for the project;
- termination of project procedures to be undertaken;
- duplication of services;
- value for money regarding the funding the City and County of Swansea put into the project;
- the need to investigate Best Value and Best Practice in similar projects.

RESOLVED that:

- (1) the contents of the report be noted;
- (2) the final WEFO report be provided to the Committee;
- (3) the Chief Auditor provide further information regarding WEFO to the Committee.

80. **FUNDAMENTAL AUDITS 2013/14 - RECOMMENDATIONS TRACKER UPDATE**

The Chief Auditor presented a report which provided an update on the recommendations made following the fundamental audits 2013/14 that had not been fully implemented when the Recommendations Tracker Report was presented to the Committee on 27 November 2014. It was added that the report in November identified that around 97% of agreed recommendations which were due to be implemented by 31 August 2014 had already been done. However, it was also noted that a further 29 recommendations had implementation dates which were after 31 August 2014 and it was recommended that a further update be provided to the Audit Committee showing the position at 31 January 2015. Appendix 1 provided that for each fundamental audit, the number of recommendations made following the 2013/14 audits and whether they had been implemented, partly implemented or not implemented as at 31 January 2015. A summary table of the position of each of the 71 agreed recommendations was provided as follows:

Recommendations	31 August 2014		31 January 2015	
	Number	%	Number	%
Implemented	40	57	63	89
Partly Implemented	1	1	0	0
Not implemented	1	1	3	4
Not yet due	29	41	5	7
Total	71	100	71	100

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It was highlighted that good progress had been made since the last report with a further 23 recommendations being implemented. An analysis of the recommendations which had been partly or not implemented over the classification of audit recommendations used by the Internal Audit Section was provided at Appendix 2. Appendix 3 provided the management explanation for the three recommendations which had not been implemented by 31 January 2015.

It was concluded that the results of the Recommendations Tracker Exercise at 31 January 2015 were extremely positive with 95% of recommendations due for implementation by the end of January being implemented. Any outstanding recommendations would be identified during the 2014/15 fundamental audits and monitoring of the implementation will form part of the Recommendations Tracker Exercise for next year.

The Committee considered the report and requested further information in relation to Human Resources retaining hard copies of contracts for staff employed by schools.

RESOLVED that:

- (1) the contents of the report be noted;
- (2) the Chief Auditor investigate whether Human Resources retain hard copies of contracts for school based staff and inform the Committee.

81. **AUDIT COMMITTEE - SELF ASSESSMENT OF GOOD PRACTICE QUESTIONNAIRE**

The Chief Auditor provided a draft self-assessment questionnaire as a basis for the review of the Committee's performance in 2014/15 which will be used to inform the Committee's Annual Report.

RESOLVED that:

- (1) the contents of the report be noted;
- (2) the completed questionnaire be used as the basis for the Audit Committee Annual Report 2014/15.

82. **AUDIT COMMITTEE WORK PLAN**

The Audit Committee Work Plan to May 2014/15 and Outline Work Plan for 2015/16 were provided for information.

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83. **NEXT MEETING - 3.00 P.M. ON THURSDAY, 9 APRIL 2015**

NOTED that the next meeting be scheduled for 3.00 p.m. on Thursday, 9 April 2015.

The meeting ended at 5.05 p.m.

CHAIR